

STATISTICS OF INCOME . . . 1956

Fiduciary
INCOME TAX
RETURNS

for 1956

U. S. TREASURY DEPARTMENT • INTERNAL REVENUE SERVICE

FORM

1041U. S. Treasury Department
Internal Revenue Service**U. S. FIDUCIARY INCOME TAX RETURN**(FOR ESTATES AND TRUSTS)
FOR CALENDAR YEAR**1959**or other taxable year beginning _____, 1959
and ending _____, 19__

Do not write in space below

PLEASE TYPE OR PRINT PLAINLY

Name of Estate or Trust. Check Whether Estate ☐, Simple Trust ☐, Complex Trust ☐

X

Name, Address, and Title of Fiduciary

X Administration - Trust (simple or complex)
Bank
Non-bankDistrict stamp
for States

Simple trusts are not required to fill in the schedules on page 4. They need complete only the lines and schedules on pages 1, 2, and 3 that apply to them. See page 2 of instructions.

Line and
Instruction No.**INCOME**

1. Dividends (Enter full amount before exclusion)
2. Interest on bank deposits, notes, corporation bonds, etc.
3. Interest on tax-free covenant bonds upon which a Federal income tax was paid at source.
4. Interest on Government obligations, etc.
5. Income from partnerships and other fiduciaries (See Instruction 5). (or loss)
- Name and address
6. Gross rents and royalties.
7. Gross profit (or loss) from trade or business.
8. (a) Net gain (or loss) from sale or exchange of capital assets (from line 10, Schedule D). ...
- (b) Net gain (or loss) from sale or exchange of property other than capital assets (from line 19, Schedule D).
9. Other income (State nature of income).
10. Total income (lines 1 to 9, inclusive). (or deficit).

Interest
combined**DEDUCTIONS**

11. Interest (Explain in Schedule A).
12. Taxes (Explain in Schedule A).
13. Fiduciary's portion of depreciation (Schedule B) and depletion. Explain depletion.
14. Charitable deduction (line 9, Schedule F).
15. Other deductions authorized by law (Explain in Schedule A).
16. Total (lines 11 to 15, inclusive).
17. Line 10 minus line 16. (Complex trusts and estates enter this amount on line 1 in Schedule G, also).
18. Deduction for distributions to beneficiaries.
19. Adjustment of dividend exclusion (not to exceed \$50) (See Instruction 19).
20. Federal estate tax attributable to income in respect of a decedent (Fiduciary's share).
21. Long-term capital gain deduction. Enter 50% of line 11 (e), Schedule D.
22. Exemption (Trusts see instructions, \$600 for an estate).
23. Total (lines 18 to 22, inclusive).
24. Taxable income of fiduciary (line 17 minus line 23).

Compute:
Total deduction =
4.16 + 23**COMPUTATION OF TAX**

- OR 25. Tax on amount on line 24 (See Tax Rate Schedule in Instruction 25).
26. If alternative tax is applicable, enter the tax from line 17, Schedule D.
27. Fiduciary's share of foreign tax credit (Attach Form 1116).
28. Fiduciary's share of credit for tax paid at source on tax-free covenant bond interest.
29. Fiduciary's share of dividends received credit (line 7, Schedule E).
30. Fiduciary's share of credit for partially tax-exempt interest.
31. Credit for tax deemed paid on undistributed capital gains of regulated investment companies.
32. Tax previously paid, or withheld (See Instruction 32 and attach explanation).
33. Total of lines 27 to 32, inclusive.
34. Balance of tax or overpayment (subtract line 33 from line 25 or line 26, whichever is applicable).

Compute:
Tax
Total 5 credits**SIGNATURE AND VERIFICATION (See General Instruction E)**

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return. If the return is prepared by a person other than the fiduciary, his declaration is based on all the information relating to the matters required to be reported in the return of which he has knowledge.

- Computed 1. Percent of total (return, total income, taxable income of fiduciary, & income tax after credits)
2. Average income tax
3. Effective tax rate based on taxable income
4. Total income less total deficit
5. Income tax after credits

(Signature of fiduciary or officer representing fiduciary)

(Date)

(Signature of preparer other than fiduciary)

16-75405-1

(Address)

(Date)

Statistics of Income 1956

Fiduciary INCOME TAX RETURNS

for 1956



*Prepared under the direction of the
Commissioner of Internal Revenue
by the Statistics Division*

U. S. TREASURY DEPARTMENT

Internal Revenue Service • Publication No. 406

LETTER OF TRANSMITTAL

TREASURY DEPARTMENT.
OFFICE OF COMMISSIONER OF INTERNAL REVENUE,
Washington, D. C., May 26, 1959.

SIR: In accordance with the provisions of section 6108 of the Internal Revenue Code of 1954, requiring the preparation and publication of Statistics with respect to the operation of Federal income tax laws, I have the honor to submit this report, *Statistics of Income-1956, Fiduciary Income Tax Returns for 1956*.

Data in the present report are taken from fiduciary returns, Form 1041, for the income tax year 1956. These data are presented for both taxable and nontaxable fiduciary returns and include the sources of income, deductions, income tax, and tax credits. The items are tabulated by significant categories such as taxable and nontaxable returns, size of income, State of filing, and type of fiduciary.

Respectfully,

DANA LATHAM.
Commissioner of Internal Revenue.

HONORABLE ROBERT B. ANDERSON.
Secretary of the Treasury.

III

UNITED STATES

GOVERNMENT PRINTING OFFICE

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Fiduciary Income

Tax Returns

FIDUCIARY INCOME TAX RETURNS FOR 1956

This report contains data compiled from a sample of fiduciary income tax returns filed for 1956. The total number of fiduciary income tax returns filed for that year was 491 thousand.

The provisions of the internal revenue laws under which these returns were filed were substantially the same as those originally set forth in the Internal Revenue Code of 1954. The few amendments which were enacted for 1956 had a relatively minor effect on the data included in this report.

FIDUCIARY INCOME TAX RESUMÉ, 1956 AND 1954

The number of fiduciary income tax returns filed, and the amounts of total income, deductions, taxable income, and income tax after credits reported on these returns reached new highs for 1956. In table A below, 1956 data are compared with those for 1954, the most recent year for which fiduciary income tax information was compiled.

Table A.—NUMBER OF RETURNS, INCOME, AND INCOME TAX, 1956 AND 1954

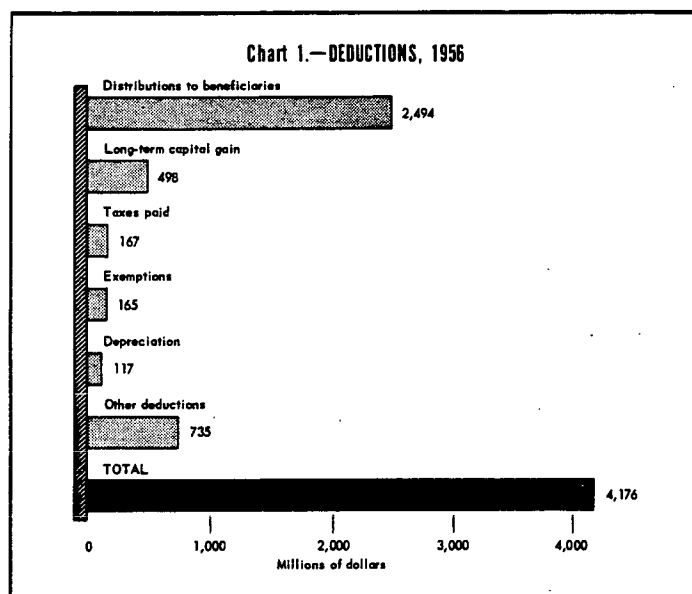
Item	1956	1954	Increase, 1956 over 1954
(Thousand returns)			
Number of returns, total.....	490.7	424.9	65.8
Taxable.....	172.2	127.8	44.4
Nontaxable.....	318.5	297.1	21.4
(Million dollars)			
Total income.....	4,884.4	3,861.9	1,022.5
Taxable income of fiduciary.....	902.1	697.0	205.1
Income tax before credits.....	339.4	269.0	70.4
Fiduciary's share of tax credit.....	12.5	5.1	7.4
Income tax after credits.....	326.9	263.9	63.0

The 491 thousand fiduciary income tax returns filed for 1956 exceeded by 66 thousand the number filed for 1954. Of the total number of returns, 172 thousand were taxable and 319 thousand were nontaxable. The number of taxable returns increased about 44 thousand and the number of nontaxable returns increased by more than 21 thousand.

Total income for all fiduciary returns amounted to \$4,884 million. This was over \$1,022 million more than was reported for 1954. Average total income per return was \$9,954, although 64 percent of the returns showed total income under \$5,000. There were 5,421 returns with total income of \$100,000 or more, 2,380 of which were nontaxable.

Of the sources of income, dividends of \$2,199 million comprised the largest single item and were nearly one-half of the total income reported. Dividend receipts occurred on 73 of every 100 returns. Net proceeds from sales of capital assets and other property of \$1,199 million was the second largest item in total income, followed by gross rents and royalties of \$691 million.

Total deductions claimed on the 1956 fiduciary returns were \$4,176 million, of which the deduction for distributions to beneficiaries was the largest. This distribution, \$2,494 million, was taxable to the beneficiaries and was reported on 68 of every 100 returns. All types of deductions claimed on fiduciary returns for 1956 are summarized in chart 1, below.



Dividend exclusion and deduction for long-term capital gain occurred on 53 percent of the returns, while depreciation or depletion was claimed on nearly 13 percent of the returns. Dividend exclusion showed a decrease in amount from the 1954 figure.

Taxable income of fiduciaries for 1956 was \$902 million. This income was retained by the fiduciaries and they were liable for the income tax on this amount.

Income tax before credits on the 172,185 taxable returns reached \$339 million. Normal tax and surtax rose to \$164 million while the alternative tax climbed to \$163 million on 3,586 returns with taxable income of fiduciary of \$18,000 or more.

Tax credits claimed by the fiduciaries were \$11.1 million for dividends received, \$780 thousand for foreign tax paid, \$480 thousand for partially tax-exempt interest, and \$93 thousand for tax paid at source on tax-free covenant bonds.

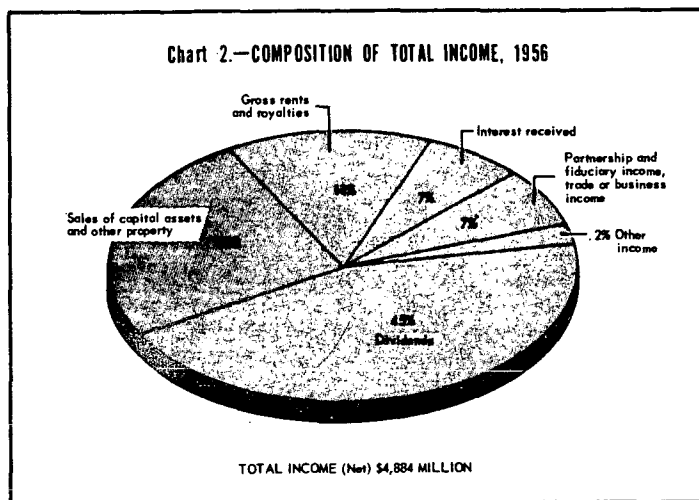
Income tax after credits rose to \$327 million, an increase of 23.9 percent over the amount reported for 1954.

The effective tax rate for taxable returns for 1956 was 36.3 percent. This rate is based on the ratio of the income tax after credits to taxable income.

FIDUCIARY INCOME TAX RETURNS FOR 1956

COMPOSITION OF TOTAL INCOME, 1956

In chart 2, the components comprising total income reported on the fiduciary returns are shown in a percentage relationship to the total income of \$4,884 million. Dividends, as usual, were the largest source of fiduciary income, constituting 45 percent of the income as a whole. Gain from sales of assets, which is the net amount realized from sales of capital assets and other property, contributed 25 percent of the total. Rents and royalties comprised 14 percent of total income; interest received, 7 percent; and the combined profit and loss from partnership and fiduciary, and business, 7 percent. Other income included the net amount received from other fiduciaries and the residual items reported as other income.



TAXABLE AND NONTAXABLE FIDUCIARY RETURNS

Of the 491 thousand fiduciary income tax returns filed for 1956, 319 thousand, or 65 percent, were nontaxable. The \$2,341 million of total income on nontaxable returns was only \$203 million less than that on taxable returns, while total deductions on the nontaxable returns were \$892 million more than those on the taxable returns.

The primary reason for the large difference between total deductions claimed on taxable and nontaxable returns was the \$1,742 million claimed on nontaxable returns for distributions to beneficiaries as compared with only \$753 million claimed on taxable returns. The average distribution to beneficiaries was \$5.5 thousand per nontaxable return and \$4.4 thousand per taxable return.

Taxable income of \$902 million was reported by taxable fiduciaries. Some nontaxable returns had taxable income, but the application of tax credits made them nontaxable. A distribution of fiduciary data by taxable and nontaxable returns is shown on table B below.

TRUSTS AND ESTATES

Fiduciary income tax returns are those filed for two types of trusts, those for income of estates and those for other trusts. Returns for income of

estates are filed annually while the estate is being administered. Generally, returns for the income of an estate are required for only a short period of years.

On the other hand, income of trusts is of more permanent nature. A trust is created for a specific purpose by means of a trust instrument or agreement for a term of years or may extend for an indefinite time. The income of a trust is reported annually by the trustee as long as the trust exists.

Seventy-three percent of the fiduciary returns for the income year 1956 were returns for trust income and 27 percent were returns for the income of estates. However, of the total number of taxable fiduciary returns, 70.4 percent were for trusts and 29.6 percent for estates.

The different functions of a trust and an estate provide each with its distinctive characteristics. Different proportions of the total income are distributed, leaving different proportions in the hands of the fiduciary for taxation. Certain items of income vary in relation to their respective total income, although similar items of income are reported for each.

Of the 360.6 thousand trust returns, 33.6 percent were taxable returns with \$660 million taxable income retained by the fiduciary. This was one-sixth of the total income of the trusts. Income tax after credits, paid at time of filing by the trustees of these trusts, was \$246 million.

Of the 130.1 thousand returns for estates, 39.2 percent were taxable returns with \$242 million of taxable income retained by the fiduciary. This was almost one-fourth of the total income of the estates. Income tax liability reported by executors of these estates was nearly \$81 million.

Table B.—SOURCES OF INCOME AND LOSS, DEDUCTIONS, TAXABLE INCOME, AND TAX BY TAX STATUS - 1956

Items	Total	Taxable returns	Nontaxable returns
	(1)	(2)	(3)
Number of returns.....	490,696	172,185	318,511
(Thousand dollars)			
Sources of income and loss:			
Dividends (before exclusions).....	2,199,360	970,871	1,228,489
Interest received.....	345,812	127,690	218,122
Partnership and fiduciary net profit.....	148,417	97,845	50,572
Partnership and fiduciary net loss.....	12,980	3,636	9,344
Gross rents and royalties.....	690,731	276,270	420,461
Trade or business gross profit.....	238,935	120,899	118,036
Trade or business gross loss.....	7,941	1,928	6,013
Net gain, sales of capital assets.....	1,188,508	912,082	276,426
Net loss, sales of capital assets.....	15,940	4,014	11,926
Net gain, sales of other property.....	33,305	15,437	17,868
Net loss, sales of other property.....	6,798	1,522	5,276
Other income sources.....	83,010	39,623	43,387
Total income (net).....	4,884,419	2,543,617	2,340,802
Deductions:			
Interest paid.....	47,746	19,931	27,815
Taxes.....	167,340	78,349	88,991
Depreciation and depletion.....	116,989	55,595	60,994
Charitable deduction.....	93,465	11,038	82,427
Dividend exclusion.....	4,755	3,809	946
Distribution to beneficiaries.....	2,494,062	752,547	1,741,515
Long-term capital gain deduction.....	497,631	443,077	54,554
Exemptions.....	164,797	51,644	113,153
Other deductions.....	589,124	226,001	363,123
Total deductions.....	4,175,509	1,641,991	2,533,518
Taxable income of fiduciary.....	902,148	901,626	522
Income tax before credits.....	339,418	339,308	110
Fiduciary's share of tax credit for—			
Foreign tax paid.....	780	743	37
Tax paid at source.....	93	84	9
Dividends received.....	11,120	11,117	3
Partially tax-exempt interest.....	480	419	61
Income tax liability after credits.....	326,945	326,945	-

Total income reported for trusts was \$3,891 million while that for estates was \$994 million. Data from returns for trusts showed almost half of the total income to be from dividends, 26 percent as gain from sale of capital assets and other property, and 12 percent from gross rents and royalties, with only 5 percent from partnership and fiduciary income combined with trade or business.

By comparison, the returns for estates had 29 percent from dividends, 19 percent from gain on sale of capital assets and other property, 21 percent from gross rents and royalties, and 19 percent from partnership and fiduciary combined with trade or business. Interest income is the only source occurring in almost the same proportion.

The deduction for distributions to beneficiaries of \$2,202 million on returns for trusts indicates that 57 percent of their total income was distributed according to the trust instruments. The returns for income of estates showed that this distribution, amounting to \$292 million, was 29 percent of the total income of the estates.

Sources of income, taxable income, and tax for trusts and for estates are presented in table C. The six sources of income in the table correspond to those shown in the composition of total income for all fiduciary returns in chart 2. The amount for each source of income is the net proceeds from that source. Partnership and fiduciary income were combined with trade or business, and gain from sales of assets includes both capital assets and other property.

Table C.—SOURCES OF INCOME, TAXABLE INCOME, AND TAX FOR TRUSTS AND FOR ESTATES, 1956

Items	Total fiduciary returns		Returns for trusts		Returns for estates	
	Number or amount	Percent of total	Number or amount	Percent of total	Number or amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)
Number of returns:						
Taxable.....	172,185	35	121,254	34	50,931	39
Nontaxable.....	318,511	65	239,363	66	79,148	61
Total.....	490,696	100	360,617	100	130,079	100
	(Thousand dollars)					
Sources:						
Dividends (before exclusions).....	2,199,360	45	1,912,039	49	287,321	29
Interest received.....	345,812	7	261,742	7	84,070	8
Partnership and fiduciary, trade or business.....	366,431	7	182,045	5	184,386	19
Gross rents and royalties...	690,731	14	478,920	12	211,811	21
Gain from sale of capital assets and other property...	1,199,075	25	1,009,797	26	189,278	19
Other income.....	83,010	2	46,339	1	36,671	4
Total income.....	4,884,419	100	3,890,882	100	993,537	100
Distributions to beneficiaries	2,494,062	-	2,201,900	-	292,162	-
Exemptions.....	164,797	-	86,755	-	78,042	-
Taxable income of fiduciary...	902,148	-	659,900	-	242,248	-
Income tax after credits.....	326,945	-	246,218	-	80,727	-

Exemption of \$600 was claimed against the total income on each of the 130.1 thousand returns for estate income. Returns for trusts showed that an exemption of \$300 was claimed for each of the 253.4 thousand simple trusts, and \$100 was claimed for each of the 107.2 thousand complex trusts. This frequency for simple and complex trusts was based entirely on the amount of the exemption taken and not on a legal definition. These exemptions provided tax-free income of 8 percent in the case of income of estates, but only 2 percent for the income of trusts.

SOURCE OF DATA AND METHOD OF ESTIMATION

Returns From Which Data Were Tabulated

The data in this report were compiled from a sample of fiduciary income tax returns, Form 1041, filed in the district offices of the Internal Revenue Service. The sample was drawn to represent all 1956 returns regardless of when filed. This was accomplished by taking a sample of the 1956 returns filed during calendar year 1957 and by estimating for 1956 returns filed in other periods. As shown in table D, most of these returns were for the calendar year 1956, but there were also returns for other fiscal periods.

Table D.—NUMBER OF RETURNS AND TOTAL INCOME

Fiscal year	Number of returns	Total income (Thousand dollars)
Total.....	490,696	4,884,419
Calendar year.....	408,399	3,090,572
Other fiscal years.....	82,297	1,793,847

A fiduciary income tax return must be filed and any tax due must be paid in full on or before the 15th day of the 4th month following the close of the tax year. These requirements hold for each separate trust which has taxable income or a nonresident alien beneficiary, or any trust with gross income of \$600 or more.

Fiduciary returns show annual income from either an estate in process of settlement or any other trust for which the fiduciary acts as an administrator. Since only certain small trusts are excused from the filing requirements, the 491 thousand returns filed included most of the fiduciary income in the United States and territorial possessions.

Though not completely audited, these returns were verified for mathematical accuracy before being made available for statistical purposes. Any changes as a result of this mathematical verification are included in the data tabulated in this report. Tentative returns and returns with no information regarding income and tax were omitted, and amended returns were used only if the original return was excluded.

A facsimile of the 1956 fiduciary income tax return, Form 1041, with instructions, appears at the end of this report, pages

DESCRIPTION OF SAMPLE AND LIMITATIONS OF DATA

The data presented for fiduciary income tax returns for 1956 are based on all returns showing total income of \$50,000 or more, and on a stratified systematic sample of returns showing total income under \$50,000. The sample consisted of 42,089 returns, about 9 percent of the fiduciary income tax returns filed for the year.

Description of the sample.—Returns with total income under \$50,000 were sampled at the prescribed rates of 10 percent if taxable, and 5 percent if nontaxable, in each of the 64 district offices and in the International Operations Division in Washing-

FIDUCIARY INCOME TAX RETURNS FOR 1956

ton, D. C. All returns with total income of \$50,000 or more were specified for inclusion in the tabulations. The sample design was adapted to fit the regular return sorting procedures employed to facilitate the administrative processing of returns for collection and audit purposes. Uniform methods of classifying returns by size of total income and tax status were prescribed for each office.

Within each of the strata, returns were assigned consecutive account numbers and the sample was selected systematically by withdrawing from the various strata all returns with designated account number endings. For example, low, taxable returns were selected according to the prescribed rate of 1 in 10, by selecting returns with 5 as the last digit of the account number. Systematic samples are convenient to draw and to execute and estimates obtained from such samples compare favorably in precision with those obtained from stratified random samples.

Table E shows the number of returns filed, the number of returns in the sample, and the prescribed and achieved sampling rate by sampling strata.

Table E.—NUMBER OF FIDUCIARY INCOME TAX RETURNS FILED FOR 1956, NUMBER OF RETURNS IN SAMPLE, AND SAMPLING RATES BY SAMPLING STRATA

Sampling strata	Number of returns filed	Number of returns in sample	Sampling rates	
			Prescribed	Achieved
	(1)	(2)	(3)	(4)
Total income \$50,000 or more.....	11,485	11,485	1/1	1/1
Total income under \$50,000:				
Taxable.....	164,510	15,224	1/10	1/11
Nontaxable.....	321,930	15,380	1/20	1/21
All returns.....	497,925	42,089	-	-

Method of estimation.—Estimates for all returns filed were determined by multiplying the sample data by "weighting factors" obtained by dividing the number of sample returns received from each sampling stratum into the total number of returns filed in that stratum. For instance, the "weighting factor" of 10.81 for low, taxable returns was obtained by dividing the number of returns in the sample, 15,224, into the total number of returns filed, 164,510. The primary sources of population data were counts made and submitted by the district offices and the International Operations Division showing the number of Form 1041 returns filed during calendar year 1957.

A comparison of the number of fiduciary income tax returns filed for 1956, as shown in table E, with the number shown in this report for comparable total income classes will yield slight differences. The published tables reflect changes resulting from: (1) the exclusion of an estimated 7,229 returns on which no financial data were reported, and (2) the classification of returns in their proper total income size classes regardless of the sampling strata to which they are assigned.

Separate "weighting factors" were used for the national tabulations and for the State tabulations. Reports received from each field office showing the number of returns filed by sampling stratum were used to derive "weighting factors" for the State tabulations. The "weighting factors" for the national tabulations were based on the aggregate number of returns filed in each stratum throughout all field offices. The achieved sampling ratios varied sufficiently among districts to warrant using two separate systems of weights.

As a result of using two weighting systems and rounded weighting factors, there exist slight differences between totals in tables showing distributions by States and corresponding items in the national tables.

Sampling variability.—The data from returns showing total income of \$50,000 or more are not subject to sampling variability since data were tabulated from all these returns. However, the estimates which included data from returns showing total income of under \$50,000 are subject to sampling variability. Table F shows the range within which 19 out of 20 estimates prepared from similarly selected samples would be expected to fall. In the preparation of this table, it was assumed that account number selection within strata would yield results equivalent to simple random sampling. For example, if data from taxable returns showing total income under \$50,000 reveal 10,000 returns having a certain characteristic, the chances are 19 out of 20 that the difference between this figure and one that would have been obtained from a complete count is less than 595.

Table F.—SAMPLING VARIABILITY OF ESTIMATED NUMBER OF RETURNS

If the estimated number of returns is—	And the total income class of returns to which the estimate refers is—	
	Under \$50,000, taxable	Under \$50,000, nontaxable
	Then the chances are about 19 out of 20 that the difference between this estimated number of returns and the figure that would be obtained from a count of all returns is less than—	
100.....	61	88
1,000.....	193	276
10,000.....	595	862
25,000.....	894	1,329
50,000.....	1,145	1,799
75,000.....	1,240	2,099

Deletion of certain entries.—Throughout the tables, the policy has been followed of deleting entries where the estimated relative sampling variability was judged to be excessive. These cells are appropriately noted in each instance where this deletion has occurred.

Other limitations of the data.—In addition to sampling variability, the data are subject to certain other limitations. Many of the tax returns from which data were obtained had not been subjected to a complete audit with the result that errors made by taxpayers in filling out the returns were not completely eliminated. In addition, controls maintained over the selection of the returns and the processing of the data did not completely eliminate the possibility of error. Practical operating considerations necessitated allowance of reasonable tolerances in controlling the processing of these data within the Statistics Division.

EXPLANATION OF CLASSIFICATIONS AND TERMS

Classifications for Fiduciary Returns

Fiduciary returns for estates and trusts for the income year 1956 were classified by size of total income, by size of taxable income, by States and Territories, as taxable and nontaxable returns, and as returns for estates or trusts. Taxable returns were classified by types of tax.

Total income classes.—Fiduciary returns were classified into total income classes based on the amount of total income reported for each estate or trust. The class intervals remain the same as those for 1954, except that the class, \$25,000 under \$50,000, combines two classes used for 1954 returns. Returns with a deficit in total income, regardless of the amount, and returns with a break-even in total income are designated "No total income" and appear in aggregate under nontaxable returns. Returns with no information concerning income and deductions were excluded.

Taxable and nontaxable returns.—This classification was based on the presence or absence of an income tax liability after credits. Taxable returns are those which had an income tax liability remaining after the four tax credits allowed for foreign taxes paid, tax paid at source on tax-free covenant bonds, dividends received, and partially tax-exempt interest had been deducted. Nontaxable returns are returns with no income tax remaining after the four tax credits. A few nontaxable returns had a tax before credits which was eliminated by the credits.

Returns for estates and for trusts.—Certain fiduciary returns were filed for the income of an estate under administration and others for the income from property held in trust. This classification was determined from these facts.

Type of tax.—Taxable returns were classified by the two types of tax, namely, normal tax and surtax, and alternative tax. The alternative tax concerns the special treatment of taxing capital gains.

Taxable income classes.—This size classification was based on the amount of taxable income of fiduciary. Taxable income of fiduciary is the amount to which the tax rates are applied. The class intervals coincide with the brackets of the graduated tax rate schedule.

States and Territories.—The distribution of fiduciary returns by States and Territories included the 48 States, the District of Columbia, and Hawaii. This distribution was based on the location of the internal revenue district in which the return was filed, except that the District of Columbia was separated from the Baltimore (Maryland) District, by means of the address of the fiduciary.

Sources of Income Comprising Total Income

Dividends (before exclusions) include foreign and domestic dividends received by the estate or trust through trade or business, partnership, or another fiduciary, as well as those received directly. Dividends from mutual savings banks, cooperative banks, domestic building and loan associations, domestic savings and loan associations, and Federal savings and loan associations were reported as interest and, therefore, are excluded from dividends received.

Interest received is that on bank deposits, notes, corporation bonds, mortgages, tax-free covenant bonds, and Government obligations (unless wholly exempt), and includes such interest received through partnerships, trade or business, and other fiduciaries. Interest also included the so-called dividends listed above which, according to the instructions, are considered interest for income tax purposes.

Partnership net profit or net loss is the estate's or trust's share (whether received or not) of the ordinary net income or loss from all partnerships,

syndicates, or joint ventures in which the estate or trust participated. If there were two or more partnerships, the shares of profit and loss were combined and only the net result reported. However, the share of partnership profit or loss reported excluded gain or loss from sales of capital assets, dividends received and partially tax-exempt interest, and the share was reported before a deduction was made for contributions or the net operating loss.

Fiduciary income or loss is the estate's or trust's share, as beneficiary, of the distributions to beneficiaries (whether received or not) from another estate or trust. However, in reporting this income the fiduciary excluded gains from sales of capital assets, dividends received, and partially tax-exempt interest so as to report each in its respective source.

Gross rents and royalties received or accrued were reported as a single item of income. The combined amount reported is the gross rental, received directly or through business, for the occupancy of real estate or the use of personal property, as well as gross royalties from books, plays, copyrights, trademarks, formulas, patents, and from natural resources such as oil, gas, timber, and mineral rights. All expenses relating to such income were claimed among the deductions for interest, taxes, depreciation and depletion, and other deductions.

Gross profit or loss from trade or business is the excess of gross receipts from sales or services over cost of goods sold, and gross loss is the reverse. Any other type of business income was reported in the appropriate source according to the character of such income. Business expenses were deducted by the fiduciary under depreciation, charitable contributions, and other deductions.

Net gain from sales of capital assets is the net gain realized from sales or exchanges of property treated as capital assets, the entire amount of which was included in total income of the estate or trust. It is a combination of the net short-term capital gain or loss including the capital loss carryover from 1951-55, and 100 percent of the net long-term capital gain or loss, which combination resulted in a net gain. In computing the net gain, the short- and long-term capital gains and losses received through business or partnerships and capital gains received from another fiduciary were included. The amount of net gain from sales of capital assets included in total income of the estate or trust is not reduced by 50 percent of the excess long-term capital gain over short-term capital loss as it is in the case of reporting capital gain in adjusted gross income on an individual return.

Net loss from sales of capital assets is the amount of loss allowed the estate or trust for sales or exchanges of property treated as capital assets. The allowable loss was deducted from gross income in determining the amount of total income of the estate or trust. In the computation of deductible loss, all short-term capital gains and losses, including the capital loss carryover from 1951-55, were merged with 100 percent of the long-term capital gains and losses. The resulting capital loss was allowed only to the extent of the smallest of the following amounts: (a) capital

loss, (b) taxable income computed without regard to capital gains and losses and the deduction for exemption, or (c) \$1,000. In merging the short- and long-term capital gains and losses, all such gains and losses sustained in business or received through partnerships, and capital gains received from other fiduciaries, were included. The disallowed portion may be carried forward for five succeeding years as a short-term capital loss to the extent not eliminated in the interim.

Long-term applies to gains and losses from sales of property treated as capital assets if held more than six months. These are taken into account at 100 percent. Long-term capital gains and losses together with the net long-term capital gain or loss received through partnerships and the net long-term capital gain received from another fiduciary are combined to determine the net long-term capital gain or loss.

Net gain or loss from sales of property other than capital assets is that resulting from sales or exchanges of property including business property, none of which was treated as a capital asset. The net gain or net loss realized from such sales was ordinary gain or loss and, in either case, the amount thereof was used in its entirety for the computation of total income of the estate or trust.

Other sources of income include any type of income subject to income tax received by the estate or trust, not elsewhere tabulated.

Deductions

Interest paid or accrued is the interest expense of the estate or trust. It includes that relating to rents and royalties, but excludes interest on business indebtedness (which is in "Other deductions") and interest expense attributable to or allocable to tax-exempt securities or income.

Taxes are those paid or accrued during the tax year of the estate or trust. These include taxes relating to rents and royalties but exclude taxes relating to trade or business (which are in "Other deductions"). Amounts deducted as taxes included taxes on real estate (except those assessed against local benefits which tend to increase the value of the property assessed), State and local income taxes, taxes paid to a foreign country or possession of the United States but only if no tax credit was claimed for such taxes, and in general other non-Federal taxes paid.

Depreciation is the fiduciary's portion of depreciation and depletion to which the estate or trust is entitled. In computing the taxable income of fiduciary, a deduction for depreciation and depletion was allowed only to the extent that these deductions were not allocated to the beneficiaries or to charitable gifts. In the allocation of amounts between fiduciary and others, depreciation and depletion relating to trade or business and to rents and royalties were included as well as that received as beneficiary from the distribution of another estate or trust. In the case of a trust, the apportionment between fiduciary and others was made in accordance with the governing instrument or, in the absence of such provisions, on the basis of income allocated to each. In the case of an estate, the apportionment

between the fiduciary and others was made on the basis of income allocated to each.

Charitable deduction is allowed to an estate or trust for amounts of income which, pursuant to the governing instrument, were paid or set aside to be used exclusively for public purposes, or for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, or for the establishment, maintenance, and operation of public, nonprofit cemeteries. In computing the charitable deduction, the contributions made through business and partnership were included. The charitable deduction, under certain conditions, may be subject to the percentage limitations imposed on the charitable deduction of an individual, or denied to the extent that it can be traced to unrelated business income. Also, the charitable contributions are subject to adjustments in order to eliminate from the deduction any tax-exempt income and, where the contributions are deemed to include long-term capital gain, to prevent a double deduction relative to the excess capital gain.

Dividend exclusions relate to domestic dividends which were received by an estate or trust and which qualified for the exclusion. Since dividends were fully reported in total income, a fiduciary who retained such dividends was allowed a deduction not to exceed \$50 in computing taxable income of fiduciary.

Distributions to beneficiaries pertain to amounts paid, credited, or required to be distributed to the beneficiaries of the estate or trust. The allowable deduction is equal to the sum of these distributions or to the amount of distributable net income, whichever is less, but for the purpose of this comparison both amounts must be adjusted to exclude items of tax-exempt income entering into the distributable net income.

Long-term capital gain deduction is allowed in computing taxable income of fiduciary in cases where a portion or all of the capital gain is retained by the estate or trust. The deduction is 50 percent of the excess net long-term capital gain over net short-term capital loss left in the hands of the fiduciary.

Exemption for an estate is \$600. For a trust required to distribute all of its income currently, it is \$300. All other trusts are allowed \$100.

Other deductions include rent and royalty expenses other than interest, taxes, depreciation, and depletion; expenses of running a trade or business other than depreciation, depletion, and charitable contributions; bond amortization, net operating loss deduction; nonbusiness losses arising from fire, storm, or other casualty, or from theft; and other nonbusiness expenses such as that incurred for the production or collection of income subject to tax, or for the management, conservation, and maintenance of property held for the production of income subject to tax.

Measures of Fiduciary Income

Total income of the estate or trust is the sum of dividends before exclusions, interest received, partnership profit or loss, income or loss from another fiduciary, gross receipts from rents and royalties, gross profit or loss from trade or

business, net gain from sales of capital assets and of other property, allowable loss from sales of capital assets and of other property, and other sources of income as reported on each return. Rents and royalties income, business profit or loss, and capital gain were reported on a gross basis.

Deficit in total income of an estate or trust occurred when the losses allowed in the computation of total income exceeded the positive items of income entering into the composition of total income.

Taxable income of fiduciary is the excess of total income over distributions to beneficiaries and other deductions, including exemptions. It is the amount of income upon which the tax was computed.

Tax Items

A fiduciary is generally taxed as a single individual not head of household, or surviving spouse. The same rates prevail in graduated steps from 20 percent of the first \$2,000 of taxable income, to 91 percent of taxable income above \$200,000. However, the maximum income tax before credits was limited to 87 percent of taxable income. Income tax before credits is the tax based on taxable income of the fiduciary. It may be either the normal tax and surtax or the alternative tax, and it is prior to the deduction of tax credits.

Normal tax and surtax, the regular income tax, occurred on returns for estates and trusts unless the alternative tax relating to capital gains was imposed.

Alternative tax was imposed only in the case of a taxpayer who had an excess of net long-term capital gain over net short-term capital loss and only if the alternative tax was less than the regular income tax. Alternative tax is the sum of (a) a partial tax computed at regular income tax rates on taxable income reduced by 50 percent of the excess net long-term capital gain over the

net short-term capital loss, and (b) an amount equal to 25 percent of the entire excess. Alternative tax was not effective on taxable income below \$18,000.

Tax credit for foreign tax paid is the fiduciary's share of the tax credit allowed on income, war profits, or excess profits taxes paid to a foreign country or to a possession of the United States. The fiduciary's share was equal to the total allowable credit for such foreign taxes paid minus the proportionate share of credit allowed to the beneficiaries.

Tax credit for tax paid at source is the fiduciary's share of tax credit allowed for tax withheld and paid, by the debtor corporation, on interest from tax-free covenant bonds. The tax credit allowed against the income tax of the fiduciary was equal to the total tax withheld (usually 2 percent of interest earned) minus the amount of tax withheld allocated to the beneficiaries.

Tax credit for dividends received was allowed the fiduciary to the extent of 4 percent of domestic corporation dividends received and included in gross income, but only with respect to the amount of such dividends not included in the gross income of any beneficiary. Furthermore, the fiduciary's credit was limited to the smaller of (a) tax before credits reduced by foreign tax credit, or (b) 4 percent of taxable income of fiduciary.

Tax credit for partially tax-exempt interest was computed at the rate of 3 percent on partially tax-exempt interest retained by the fiduciary. However, the credit allowed the fiduciary could not exceed the smallest of (a) tax before credits reduced by credit for foreign tax paid and for dividends received, (b) 3 percent of taxable income of fiduciary, or (c) if alternative tax was applicable, 3 percent of the ordinary income.

Income tax liability after credits is the income tax remaining after the four tax credits are deducted. It is the net tax liability reported by the fiduciary at time of filing the return.

BASIC TABLES
FIDUCIARY RETURNS. 1956

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FIDUCIARY INCOME TAX RETURNS FOR 1956

Table 1.—NUMBER OF RETURNS, TOTAL INCOME, TAXABLE INCOME, AND INCOME TAX, BY TOTAL INCOME CLASSES AND CLASSES CUMULATED

Total income classes and classes cumulated		Returns		Total income		Taxable income of fiduciary		Income tax after credits	
		Number	Percent of total	Amount (Thousand dollars)	Percent of total	Amount (Thousand dollars)	Percent of total	Amount (Thousand dollars)	Percent of total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
TOTAL INCOME CLASSES									
Returns with total income, taxable and nontaxable:									
1	Under \$600.....	67,143	13.9	20,467	0.4	2,381	0.3	420	0.1
2	\$600 under \$1,000.....	50,074	10.4	39,912	0.8	4,350	0.5	800	0.2
3	\$1,000 under \$1,500.....	48,001	9.9	59,972	1.2	7,926	0.9	1,413	0.4
4	\$1,500 under \$2,000.....	35,337	7.3	61,296	1.3	9,185	1.0	1,632	0.5
5	\$2,000 under \$2,500.....	28,743	5.9	64,632	1.3	10,733	1.2	1,926	0.6
6	\$2,500 under \$3,000.....	21,815	4.5	60,575	1.2	10,579	1.2	1,954	0.6
7	\$3,000 under \$3,500.....	20,678	4.3	67,008	1.4	10,997	1.2	2,034	0.6
8	\$3,500 under \$4,000.....	16,003	3.3	60,183	1.2	10,550	1.2	1,964	0.6
9	\$4,000 under \$4,500.....	14,375	3.0	61,382	1.3	10,739	1.2	2,041	0.6
10	\$4,500 under \$5,000.....	12,600	2.6	59,750	1.2	10,753	1.2	2,025	0.6
11	\$5,000 under \$6,000.....	21,106	4.4	115,621	2.4	20,885	2.3	4,052	1.2
12	\$6,000 under \$7,000.....	17,539	3.6	113,420	2.3	21,269	2.4	4,186	1.3
13	\$7,000 under \$8,000.....	14,445	3.0	108,284	2.2	20,070	2.2	4,131	1.3
14	\$8,000 under \$9,000.....	11,040	2.3	93,525	1.9	17,374	1.9	3,606	1.1
15	\$9,000 under \$10,000.....	9,756	2.0	92,539	1.9	19,108	2.1	4,108	1.3
16	\$10,000 under \$15,000.....	31,449	6.5	383,907	7.8	71,613	7.9	16,449	5.0
17	\$15,000 under \$20,000.....	18,212	3.8	314,224	6.4	60,515	6.7	15,576	4.8
18	\$20,000 under \$25,000.....	10,928	2.3	243,255	5.0	50,375	5.6	14,327	4.4
19	\$25,000 under \$50,000.....	20,376	4.2	702,942	14.4	123,497	13.7	41,269	12.6
20	\$50,000 under \$100,000.....	8,561	1.8	596,293	12.2	106,147	11.8	45,379	13.9
21	\$100,000 under \$150,000.....	2,380	0.5	286,937	5.9	48,698	5.4	23,772	7.3
22	\$150,000 under \$200,000.....	1,050	0.2	181,986	3.7	29,790	3.3	15,299	4.7
23	\$200,000 under \$500,000.....	1,421	0.3	420,973	8.6	76,247	8.5	40,776	12.5
24	\$500,000 under \$1,000,000.....	371	0.1	241,902	4.9	39,450	4.4	21,068	6.4
25	\$1,000,000 or more.....	199	(1)	444,776	9.1	108,917	12.1	56,738	17.4
26	Total.....	483,602	100.0	4,895,761	100.0	902,148	100.0	326,945	100.0
27	Returns with no total income, nontaxable.....	7,094	-	211,342	-	-	-	-	-
28	Grand total.....	490,696	-	5,107,103	-	902,148	-	326,945	-
CUMULATED FROM LOWEST TOTAL INCOME CLASS									
Returns with total income, taxable and nontaxable:									
29	Under \$600.....	67,143	13.9	20,467	0.4	2,381	0.3	420	0.1
30	Under \$1,000.....	117,217	24.2	60,379	1.2	6,731	0.7	1,220	0.4
31	Under \$1,500.....	165,218	34.2	120,351	2.5	14,658	1.6	2,633	0.8
32	Under \$2,000.....	200,555	41.5	181,647	3.7	23,843	2.6	4,265	1.3
33	Under \$2,500.....	229,298	47.4	246,279	5.0	34,576	3.8	6,191	1.9
34	Under \$3,000.....	251,113	51.9	306,854	6.3	45,155	5.0	8,145	2.5
35	Under \$3,500.....	271,791	56.2	373,862	7.6	56,152	6.2	10,179	3.1
36	Under \$4,000.....	287,794	59.5	434,045	8.9	66,702	7.4	12,143	3.7
37	Under \$4,500.....	302,169	62.5	495,427	10.1	77,441	8.6	14,184	4.3
38	Under \$5,000.....	314,769	65.1	555,177	11.3	88,194	9.8	16,209	5.0
39	Under \$6,000.....	335,875	69.5	670,798	13.7	109,079	12.1	20,261	6.2
40	Under \$7,000.....	353,414	73.1	784,218	16.0	130,348	14.4	24,447	7.5
41	Under \$8,000.....	367,859	76.1	892,502	18.2	150,419	16.7	28,578	8.7
42	Under \$9,000.....	378,899	78.3	986,027	20.1	167,793	18.6	32,184	9.8
43	Under \$10,000.....	388,655	80.4	1,078,566	22.0	186,901	20.7	36,292	11.1
44	Under \$15,000.....	420,104	86.9	1,462,473	29.9	258,514	28.7	52,741	16.1
45	Under \$20,000.....	438,316	90.6	1,776,697	36.3	319,029	35.4	68,317	20.9
46	Under \$25,000.....	449,244	92.9	2,019,952	41.3	369,404	40.9	82,644	25.3
47	Under \$50,000.....	469,620	97.1	2,722,894	55.6	492,901	54.6	123,913	37.9
48	Under \$100,000.....	478,181	98.9	3,319,187	67.8	599,048	66.4	169,292	51.8
49	Under \$150,000.....	480,561	99.4	3,606,124	73.7	647,746	71.8	193,064	59.1
50	Under \$200,000.....	481,611	99.6	3,788,110	77.4	677,536	75.1	208,363	63.7
51	Under \$500,000.....	483,032	99.9	4,209,083	86.0	753,783	83.6	249,139	76.2
52	Under \$1,000,000.....	483,403	99.9	4,450,985	90.9	793,233	87.9	270,207	82.6
53	All returns.....	483,602	100.0	4,895,761	100.0	902,148	100.0	326,945	100.0
54	Returns with no total income, nontaxable.....	7,094	-	211,342	-	-	-	-	-
55	Total returns.....	490,696	-	5,107,103	-	902,148	-	326,945	-
CUMULATED FROM HIGHEST TOTAL INCOME CLASS									
Returns with total income, taxable and nontaxable:									
56	\$1,000,000 or more.....	199	(1)	444,776	9.0	108,917	12.1	56,738	17.4
57	\$500,000 or more.....	570	0.1	686,678	14.0	148,367	16.4	77,806	23.8
58	\$200,000 or more.....	1,991	0.4	1,107,651	22.6	224,614	24.9	118,582	36.3
59	\$150,000 or more.....	3,041	0.6	1,289,637	26.3	254,404	28.2	133,881	40.9
60	\$100,000 or more.....	5,421	1.1	1,576,574	32.2	303,102	33.6	157,653	48.2
61	\$50,000 or more.....	13,982	2.9	2,172,867	44.4	409,249	45.4	203,032	62.1
62	\$25,000 or more.....	34,358	7.1	2,875,809	58.7	532,746	59.1	244,301	74.7
63	\$20,000 or more.....	45,286	9.4	3,119,064	63.7	583,121	64.6	258,628	79.1
64	\$15,000 or more.....	63,498	13.1	3,433,288	70.1	643,636	71.3	274,204	83.9
65	\$10,000 or more.....	94,947	19.6	3,817,195	78.0	715,249	79.3	290,653	88.9
66	\$9,000 or more.....	104,703	21.7	3,909,734	79.9	734,357	81.4	294,761	90.2
67	\$8,000 or more.....	115,743	23.9	4,003,259	81.8	751,731	83.3	298,367	91.3
68	\$7,000 or more.....	130,188	26.9	4,111,543	84.0	771,801	85.6	302,498	92.5
69	\$6,000 or more.....	147,727	30.5	4,224,963	86.3	793,070	87.9	306,684	93.8
70	\$5,000 or more.....	168,833	34.9	4,340,584	88.7	813,956	90.2	310,736	95.0
71	\$4,500 or more.....	181,433	37.5	4,400,334	89.9	824,709	91.4	312,761	95.7
72	\$4,000 or more.....	195,808	40.5	4,461,716	91.1	835,448	92.6	314,802	96.3
73	\$3,500 or more.....	211,811	43.8	4,521,899	92.4	845,998	93.8	316,766	96.9
74	\$3,000 or more.....	232,489	48.1	4,588,907	93.7	856,995	95.0	318,800	97.5
75	\$2,500 or more.....	254,304	52.6	4,649,482	95.0	867,574	96.2	320,754	98.1
76	\$2,000 or more.....	283,047	58.5	4,714,114	96.3	878,307	97.4	322,680	98.7
77	\$1,500 or more.....	318,384	65.8	4,775,410	97.5	887,492	98.4	324,312	99.2
78	\$1,000 or more.....	366,385	75.8	4,835,382	98.8	895,418	99.3	325,725	99.6
79	\$600 or more.....	416,459	86.1	4,875,294	99.6	899,768	99.7	326,525	99.9
80	All returns.....	483,602	100.0	4,895,761	100.0	902,148	100.0	326,945	100.0
81	Returns with no total income, nontaxable.....	7,094	-	211,342	-	-	-	-	-
82	Total returns.....	490,696	-	5,107,103	-	902,148	-	326,945	-

See text for "Description of Sample and Limitations of Data" and "Explanation of Classifications and Terms."

¹Less than 0.05 percent.²Deficit in total income.³Total income less deficit in total income.

Table 2.—SOURCES OF INCOME AND LOSS, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY TOTAL INCOME CLASSES

Total income classes	Total number of returns	Dividends (before exclusions)		Interest received		Partnership and fiduciary income				Gross rents and royalties		Trade or business				Sales of capital assets					
		Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Net profit		Net loss		Number of returns	Amount (Thousand dollars)	Gross profit		Gross loss		Net gain		Net loss			
						Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)			
Taxable returns:																					
Under \$600.....	14,570	9,786	2,629	7,957	1,362	1,836	330	86	40	986	340	76	31		3,264	417	486	97			
\$600 under \$1,000.....	12,319	8,274	4,593	6,788	2,432	1,481	763	(1)	(1)	1,525	842	302	247		3,251	801	623	132			
\$1,000 under \$1,500.....	13,375	9,190	7,117	7,854	3,260	1,441	1,091	77	41	2,565	2,198	486	679		4,168	2,060	666	213			
\$1,500 under \$2,000.....	10,946	7,724	7,963	6,351	3,024	1,146	1,189	54	67	2,587	2,913	421	582		4,400	2,742	535	145			
\$2,000 under \$2,500.....	9,481	6,973	9,099	5,632	3,022	1,146	1,473	75	32	2,293	3,551	261	404		4,024	3,141	656	252			
\$2,500 under \$3,000.....	7,977	5,611	8,351	4,866	3,148	1,103	1,716	97	28	2,052	3,862	327	623		3,330	3,323	350	142			
\$3,000 under \$3,500.....	7,172	5,359	9,139	4,335	2,707	876	1,588	86	40	1,769	3,640	400	970		3,640	4,245	356	165			
\$3,500 under \$4,000.....	6,200	4,724	9,637	3,880	2,786	888	1,725	65	25	1,462	3,556	186	565		3,277	4,646	326	152			
\$4,000 under \$4,500.....	5,516	4,337	10,016	3,255	2,230	725	1,660		82	1,298	3,371	367	1,071	349	3,096	4,691	294	130			
\$4,500 under \$5,000.....	4,996	4,034	10,362	3,343	2,481	704	1,531		25	1,223	3,506	130	483		3,113	4,684	280	148			
\$5,000 under \$6,000.....	8,416	6,510	18,416	5,516	4,700	1,182	3,476	86	28	2,035	6,565	358	1,209		4,893	10,048	294	165			
\$6,000 under \$7,000.....	7,526	5,926	19,950	5,017	4,436	994	2,989		92	2,195	7,879	444	1,958		4,451	10,004	406	192			
\$7,000 under \$8,000.....	5,961	4,867	20,080	4,034	4,329	673	2,967		55	1,409	6,172	229	1,181		3,672	9,529	256	133			
\$8,000 under \$9,000.....	4,724	3,928	17,313	3,470	3,738	681	3,133	65	309	1,145	5,532	227	1,121		3,084	8,657	203	143			
\$9,000 under \$10,000.....	4,706	3,895	19,905	3,201	3,252	565	2,558	(1)	(1)	1,266	6,256	251	1,821		2,963	9,801	265	105			
\$10,000 under \$15,000.....	15,025	12,621	75,794	11,157	15,021	1,990	12,145	205	255	3,957	26,171	596	4,992	65	10,134	46,219	1,027	535			
\$15,000 under \$20,000.....	9,074	7,772	68,799	6,686	10,680	1,092	9,159	151	190	2,078	17,046	381	3,748		6,585	45,697	444	298			
\$20,000 under \$25,000.....	5,850	4,834	55,584	4,334	8,436	547	5,592	55	49	1,563	14,652	299	3,814	118	369	4,373	38,535	287	199		
\$25,000 under \$50,000.....	10,583	9,145	155,996	7,965	18,088	1,196	17,400	129	817	2,725	41,208	712	16,639		8,057	108,743	571	367			
\$50,000 under \$100,000.....	4,727	4,206	137,199	3,587	12,552	510	12,227	92	804	1,405	35,966	383	18,728	46	3,686	107,221	302	207			
\$100,000 under \$150,000.....	1,307	1,151	55,817	963	5,295	139	5,689	19	109	425	20,723	138	10,249	12	1,044	58,976	44	35			
\$150,000 under \$200,000.....	602	540	37,129	457	3,035	74	2,558	24	255	209	13,507	68	8,024	5	500	39,047	35	25			
\$200,000 under \$500,000.....	821	753	78,631	620	5,340	68	2,712	24	268	256	20,621	108	23,182	9	686	114,756	28	22			
\$500,000 under \$1,000,000.....	192	169	38,130	128	1,238	10	878	3	91	44	9,077	23	10,360	2	83	68,236	9	7			
\$1,000,000 or more.....	119	107	93,222	80	1,098	10	1,296	2	2	27	11,116	6	8,218	2	97	205,863	5	5			
Total taxable returns.....	172,185	132,436	970,871	111,476	127,690	21,077	97,845	1,582	3,636	38,499	270,270	7,179	120,899	608	1,928	89,974	912,082	8,748	4,014		
Nontaxable returns:																					
No total income.....	7,094	1,814	1,001	1,854	809	128	61	1,629	5,486	979	804	130	285	849	3,920	387	610	2,266	3,393		
Under \$600.....	52,573	28,131	6,628	31,254	5,974	3,308	484	294	172	6,010	1,888	1,312	525	318	182	7,641	718	3,413	1,169		
\$600 under \$1,000.....	37,755	25,215	13,133	23,185	8,190	2,658	911	168	121	6,763	4,438	1,152	818	125	47	9,232	1,814	1,800	620		
\$1,000 under \$1,500.....	34,626	24,954	20,733	21,059	10,185	3,055	1,396	105	148	6,469	5,970	903	1,028	63	59	10,151	2,746	1,884	572		
\$1,500 under \$2,000.....	24,391	18,399	21,448	15,408	8,513	2,093	1,443	84	81	5,194	6,703	861	1,042	(1)	(1)	7,555	2,317	942	226		
\$2,000 under \$2,500.....	19,262	15,239	22,436	12,246	7,652	1,677	1,508	63	28	3,917	5,859	523	848	105	41	7,159	3,423	858	286		
\$2,500 under \$3,000.....	13,838	10,489	20,837	8,960	7,325	1,131	1,295	105	616	2,849	5,472	565	1,372			4,814	2,390	921	327		
\$3,000 under \$3,500.....	13,506	10,824	24,115	8,752	6,560	1,173	1,415	63	23	2,997	6,782	504	1,223	42	254	4,919	2,695	774	222		
\$3,500 under \$4,000.....	9,803	7,666	21,953	6,283	5,888	693	983	104	53	2,410	6,513	253	584	63	184	3,537	2,042	649	1,835		
\$4,000 under \$4,500.....	8,859	6,975	21,223	6,159	5,837	484	627	63	44	1,802	5,142	272	938			3,017	2,074	502	279		
\$4,500 under \$5,000.....	7,604	6,303	21,342	5,129	5,491	565	875	(1)	(1)	1,341	4,275	271	918			3,081	2,319	359	136		
\$5,000 under \$6,000.....	12,690	10,342	40,387	9,109	9,214	796	1,339	129	144	2,955	10,166	566	2,581	42	10	4,713	4,148	881	173		
\$6,000 under \$7,000.....	10,013	7,833	36,759	6,661	8,107	585	1,147			2,789	12,590	235	1,162			3,602	4,128	397	162		
\$7,000 under \$8,000.....	8,484	6,620	35,474	5,720	7,491	514	620			2,223	10,851	485	3,145	105	80	3,265	4,940	670	307		
\$8,000 under \$9,000.....	6,316	5,089	31,207	3,918	5,824	377	906	105	36	1,601	8,622	380	2,826			2,470	3,485	357	100		
\$9,000 under \$10,000.....	5,050	4,175	28,029	3,421	5,195	418	940			1,385	8,359	171	1,121			1,852	3,938	253	123		
\$10,000 under \$15,000.....	16,424	12,970	107,809	11,028	20,323	923	4,437	107	472	4,908	39,561	921	8,097			5,999	16,943	1,067	471		
\$15,000 under \$20,000.....	9,138	6,899	83,080	5,995	13,921	608	4,478		454	2,694	32,040	713	9,359	90	464	3,316	12,151	650	260		
\$20,000 under \$25,000.....	5,078	4,238	63,426	3,258	8,998	378	3,236			1,561	19,633	275	4,335			1,868	9,668	298	253		
\$25,000 under \$50,000.....	9,793	7,252	176,309	5,792	24,806	595	6,165	109	834	3,373	75,019	657	17,863			3,722	29,901	466	329		
\$50,000 under \$100,000.....	3,834	2,764	119,288	2,204	17,138	254	6,911	39	370	1,527	62,226	383	22,225	9	209	1,479	33,339	209	564		
\$100,000 under \$150,000.....	1,073	839	61,632	685	6,860	49	1,965	6	21	349	23,739	104	8,378	8	173	419	20,460	32	47		
\$150,000 under \$200,000.....	448	346	41,467	276	3,492	26	1,082			128	14,503	28	3,292	2	40	184	12,225	32	20		
\$200,000 under \$500,000.....	600	490	79,849	365	5,827	46	2,766	10	44	226	31,944	68	13,823	2	4	252	33,075	45	43		
\$500,000 under \$1,000,000.....	179	160	63,161	103	3,759	7	2,054	2	27	39	9,956	11	3,935	2	66	84	30,035	6	8		
\$1,000,000 or more.....	80	72	65,763	28	3,743	3	1,528			13	7,406	5	6,313	1	116	42	34,842	1	52		
Total nontaxable returns..	318,511	226,098	1,228,489	198,852	218,122	22,344	50,572	3,290	9,344	66,502	420,461	11,748	118,036	1,868	6,013	94,760	276,426	19,732	11,92		

Table 2.—SOURCES OF INCOME AND LOSS, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY TOTAL INCOME CLASSES—Continued

Total income classes		Sales of property other than capital assets				Other sources (Thousand dollars)	Total income (Thousand dollars)	Deductions for—											
		Net gain		Net loss				Interest paid		Taxes paid		Depreciation or depletion		Charitable contributions		Distributions to beneficiaries		Dividend exclusion	
		Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
		(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
Taxable returns:																			
1	Under \$600.....	97	11	97	4	95	5,074	454	24	2,646	65	596	61	119	4	757	62	9,120	435
2	\$600 under \$1,000.....	248	93	95	28	448	10,037	724	90	3,393	180	658	118	208	21	1,528	517	7,136	337
3	\$1,000 under \$1,500.....	247	117	119	55	667	16,869	931	110	5,013	481	1,361	311	193	13	2,561	1,402	7,504	214
4	\$1,500 under \$2,000.....	257	173	87	53	808	19,055	924	134	5,001	681	1,434	398	204	40	2,797	1,970	5,905	290
5	\$2,000 under \$2,500.....	244	151	88	26	845	21,314	851	186	4,712	736	1,671	569	209	31	2,888	2,635	4,879	235
6	\$2,500 under \$3,000.....	289	316	106	64	857	21,911	840	232	3,774	760	1,386	643	223	60	2,791	3,518	3,850	193
7	\$3,000 under \$3,500.....	105	163	(1)	(1)	1,028	23,264	623	166	3,346	732	1,196	616	146	23	2,907	4,595	3,373	154
8	\$3,500 under \$4,000.....	146	145	53	8	754	23,629	717	192	3,375	804	1,074	673	232	125	2,694	5,170	2,995	135
9	\$4,000 under \$4,500.....	141	194	87	71	905	23,885	607	243	2,970	711	966	635	119	46	2,640	5,493	2,606	115
10	\$4,500 under \$5,000.....	146	183	(1)	(1)	776	23,780	634	283	3,326	649	979	538	110	24	2,518	5,771	2,336	109
11	\$5,000 under \$6,000.....	263	442	103	78	1,629	46,197	1,043	326	4,529	1,383	1,449	1,211	274	109	4,154	11,411	3,731	165
12	\$6,000 under \$7,000.....	196	458	98	32	1,386	48,749	1,048	536	4,618	1,732	1,508	1,381	250	89	4,033	12,470	3,288	162
13	\$7,000 under \$8,000.....	118	226	85	39	444	44,682	802	475	3,353	1,345	976	1,022	215	192	3,211	11,962	2,703	121
14	\$8,000 under \$9,000.....	129	317	75	37	761	40,026	602	305	2,754	1,111	834	929	172	122	2,751	11,331	2,012	101
15	\$9,000 under \$10,000.....	137	141	(1)	(1)	1,040	44,640	686	390	2,909	1,582	889	1,140	95	83	2,685	12,587	2,100	93
16	\$10,000 under \$15,000.....	306	1,393	169	311	3,120	183,693	2,087	1,741	9,610	6,325	2,602	4,417	604	589	9,499	56,971	6,273	314
17	\$15,000 under \$20,000.....	213	677	86	247	2,534	157,458	1,425	1,627	5,828	4,991	1,529	3,262	383	521	5,912	48,582	3,749	165
18	\$20,000 under \$25,000.....	139	1,044	74	97	3,473	130,653	1,116	887	3,869	4,214	1,097	2,168	163	102	3,943	40,383	2,283	99
19	\$25,000 under \$50,000.....	130	1,900	(1)	(1)	6,242	364,930	1,932	3,223	7,383	10,832	2,079	7,479	395	1,251	7,948	127,016	4,192	210
20	\$50,000 under \$100,000.....	144	2,906	63	113	4,575	329,868	1,141	2,696	3,471	10,843	1,064	6,750	251	1,186	3,681	111,930	2,011	101
21	\$100,000 under \$150,000.....	32	804	14	14	1,460	158,671	354	1,622	992	5,697	383	4,400	81	1,078	1,027	49,653	569	28
22	\$150,000 under \$200,000.....	12	711	12	15	898	104,586	156	732	455	3,451	173	3,856	62	554	499	34,078	260	13
23	\$200,000 under \$500,000.....	40	2,859	32	94	2,911	250,302	215	1,868	593	7,141	221	6,146	50	2,170	664	69,201	352	14
24	\$500,000 under \$1,000,000.....	3	7	3	13	353	128,085	45	668	145	3,899	37	1,292	10	920	160	35,122	83	4
25	\$1,000,000 or more.....	2	6	1	70	1,614	322,259	22	1,175	93	8,004	22	5,580	6	1,685	95	88,717	53	2
26	Total taxable returns.....	3,784	15,437	1,651	1,522	39,623	2,543,617	19,979	19,931	88,158	78,349	26,184	55,595	4,774	11,038	74,343	752,547	83,363	3,809
27	Nontaxable returns:																		
	No total income.....	(1)	(1)	825	2,264	43	11,342	911	1,030	1,983	502	435	197	106	91	189	155	359	16
28	Under \$600.....	535	137	628	150	712	15,393	1,886	267	12,761	1,110	2,326	348	1,048	212	30,481	8,285	5,531	255
29	\$600 under \$1,000.....	544	212	188	45	1,192	29,875	2,388	299	13,597	1,661	3,309	870	901	411	29,244	19,346	2,909	145
30	\$1,000 under \$1,500.....	334	152	231	163	1,835	43,103	2,116	408	13,817	2,419	3,625	1,201	628	319	28,931	29,748	2,366	118
31	\$1,500 under \$2,000.....	252	52	146	34	1,228	42,241	2,094	782	9,632	1,897	3,099	1,231	587	426	21,248	30,424	1,508	75
32	\$2,000 under \$2,500.....	314	153	125	5	1,799	43,318	1,549	465	7,998	1,772	2,367	1,132	711	1,268	17,148	31,804	1,277	56
33	\$2,500 under \$3,000.....	84	59	63	4	1,108	38,664	944	358	5,988	1,697	1,927	1,008	607	948	12,372	28,324	690	29
34	\$3,000 under \$3,500.....	168	170	125	80	1,116	43,744	1,031	712	5,971	1,697	1,639	1,232	419	768	12,186	32,588	628	29
35	\$3,500 under \$4,000.....	(1)	(1)	107	64	708	36,554	862	348	4,567	1,767	1,280	1,007	335	626	8,880	27,134	588	23
36	\$4,000 under \$4,500.....	125	165	63	5	819	37,497	837	335	3,897	1,276	1,088	705	126	298	8,378	29,622	272	14
37	\$4,500 under \$5,000.....	105	127	(1)	(1)	955	35,970	565	182	3,245	1,167	733	496	231	481	7,244	29,051	314	13
38	\$5,000 under \$6,000.....	188	242	84	207	1,877	69,424	1,051	691	5,971	3,201	1,532	1,350	188	452	11,787	54,173	335	13
39	\$6,000 under \$7,000.....	147	50	(1)	(1)	1,118	64,671	1,029	543	4,696	2,600	1,344	1,401	314	1,032	9,612	49,905	483	20
40	\$7,000 under \$8,000.....	168	264	84	55	1,259	63,602	737	779	3,982	2,376	1,133	1,191	377	1,509	7,897	48,261	422	21
41	\$8,000 under \$9,000.....	-	-	126	33	778	53,499	592	513	2,752	1,991	826	1,092	149	837	5,914	41,816	316	16
42	\$9,000 under \$10,000.....	64	130	(1)	(1)	827	47,899	525	532	2,565	1,850	716	1,090	315	1,220	4,616	37,222	210	11
43	\$10,000 under \$15,000.....	169	527	230	666	4,143	200,214	2,151	2,014	8,168	7,645	2,972	4,962	795	4,644	15,424	151,284	673	34
44	\$15,000 under \$20,000.....	85	75	148	297	2,549	156,766	1,402	1,487	4,571	6,874	1,786	3,958	485	2,825	8,541	117,031	442	22
45	\$20,000 under \$25,000.....	128	1,540	(1)	(1)	2,802	112,602	666	978	2,749	4,594	980	2,427	319	2,389	4,873	87,374	274	10
46	\$25,000 under \$50,000.....	194	3,147	89	48	6,063	338,012	1,554	4,141	5,342	13,275	2,327	7,932	812	12,062	9,147	248,175	405	20
47	\$50,000 under \$100,000.....	80	2,797	62	78	3,722	266,425	883	4,491	2,251	10,495	971	9,844	352	11,411	3,536	183,188	85	4
48	\$100,000 under \$150,000.....	66	3,905	12	22	1,590	128,266	244	1,652	567	4,384	251	2,936	94	6,057	961	90,155	44	2
49	\$150,000 under \$200,000.....	5	635	1	29	793	77,400	63	699	254	3,906	82	1,493	41	3,475	400	57,009	9	(2)
50	\$200,000 under \$500,000.....	14	1,613	5	13	1,878	170,671	127	1,779	331	5,239	162	7,386	103	12,264	529	121,432	10	(2)
51	\$500,000 under \$1,000,000.....	3	538	1	5	485	113,817	43	1,470	95	2,067	30	2,711	20	5,790	171	91,543	4	(2)
52	\$1,000,000 or more.....	2	1,051	1	(2)	1,988	122,517	10	860	24	1,529	13	2,094	32	10,612	73	96,466	4	(2)
53	Total nontaxable returns.....	3,863	17,868	3,475	5,276	43,387	2,340,802	26,260	27,815	127,774	88,991	36,963	60,994	10,095	82,427	259,782	1,741,515	20,158	946
54	Grand total.....	7,647	33,305	5,126	6,798	83,010	4,884,419	46,239	47,746	215,932	167,340	63,147	116,589	14,869	93,465	334,125	2,494,062	103,521	4,755
55	Returns under \$5,000.....	4,470	2,900	3,335	3,185	18,698	454,835	22,488	6,846	121,012	22,7								

Table 2.—SOURCES OF INCOME AND LOSS, DEDUCTIONS, EXEMPTIONS, TAXABLE INCOME, AND TAX ITEMS, BY TOTAL INCOME CLASSES—Continued

Total income classes	Deductions for—Continued					Total deductions (Thousand dollars)	Taxable income of fiduciary		Number of returns with no taxable income of fiduciary	Income tax before credits (Thousand dollars)	Fiduciary's share of tax credit for—								Income tax after credits (Thousand dollars)
	Long-term capital gain		Exemptions (Thousand dollars)	Other deductions			Number of returns	Amount (Thousand dollars)			Foreign tax paid		Tax paid at source		Dividends received		Partially tax-exempt interest		
	Number of returns	Amount (Thousand dollars)		Number of returns	Amount (Thousand dollars)						Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	
	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)
Taxable returns:																			
1 Under \$600.....	3,017	187	1,544	6,866	317	2,699	14,570	2,375	-	466	162	1	97	1	7,271	44			420
2 \$600 under \$1,000.....	2,855	362	3,426	5,269	657	5,708	12,319	4,329	-	890	141	2	65	1	5,838	87		1	800
3 \$1,000 under \$1,500.....	3,820	920	4,423	6,931	1,138	9,012	13,375	7,857	-	1,559	184	5	(1)	(1)	6,289	140	55		1,413
4 \$1,500 under \$2,000.....	4,076	1,302	3,802	6,534	1,311	9,928	10,946	9,127	-	1,811	97	5	130	2	5,129	167	54	5	1,632
5 \$2,000 under \$2,500.....	3,871	1,496	3,155	5,958	1,539	10,582	9,481	10,732	-	2,135	152	1	(1)	(1)	4,317	204			1,926
6 \$2,500 under \$3,000.....	3,298	1,660	2,638	5,066	1,628	11,332	7,977	10,579	-	2,130	141	5	86	4	3,179	166			1,954
7 \$3,000 under \$3,500.....	3,534	2,043	2,322	4,901	1,649	12,300	7,172	10,964	-	2,214	118	4			2,963	176			2,034
8 \$3,500 under \$4,000.....	3,177	2,213	2,033	4,487	1,734	13,079	6,200	10,550	-	2,156	151	8			2,627	176	97	9	1,964
9 \$4,000 under \$4,500.....	3,006	2,299	1,708	4,068	1,896	13,146	5,516	10,739	-	2,216	141	4	141	3	2,239	171			2,041
10 \$4,500 under \$5,000.....	2,769	2,310	1,618	3,656	1,740	13,042	4,996	10,738	-	2,230	119	5			2,185	198			2,025
11 \$5,000 under \$6,000.....	4,854	4,775	2,677	6,230	3,331	25,388	8,416	20,809	-	4,385	130	8	97	3	3,363	311	54	11	4,052
12 \$6,000 under \$7,000.....	4,293	4,921	2,413	5,861	3,827	27,531	7,526	21,218	-	4,568	184	14			2,908	361	(1)	(1)	4,186
13 \$7,000 under \$8,000.....	3,515	4,504	1,815	4,600	3,176	24,612	5,961	20,070	-	4,483	119	4	67	1	2,390	344	54	4	4,131
14 \$8,000 under \$9,000.....	3,038	4,224	1,492	3,901	3,206	22,821	4,724	17,205	-	3,888	129	9	54	(2)	1,891	271			3,606
15 \$9,000 under \$10,000.....	2,910	4,709	1,324	3,787	3,424	25,532	4,706	19,108	-	4,445	65	3	(1)	(1)	1,937	334	65	2	4,108
16 \$10,000 under \$15,000.....	9,940	22,268	4,718	12,328	14,737	112,080	15,025	71,613	-	17,558	432	45	205	23	5,873	1,028	97	13	16,449
17 \$15,000 under \$20,000.....	6,574	22,617	2,797	7,961	12,381	96,943	9,074	60,515	-	16,609	336	55	86	12	3,599	944			15,576
18 \$20,000 under \$25,000.....	4,337	19,105	1,864	5,069	11,456	80,278	5,850	50,375	-	15,136	260	32	66	4	2,294	773	44	22	14,327
19 \$25,000 under \$50,000.....	7,918	53,188	3,263	9,397	34,975	241,437	10,583	123,493	-	43,138	412	65	129	1	4,242	1,726	76	77	41,269
20 \$50,000 under \$100,000.....	3,615	52,533	1,481	4,372	36,220	223,740	4,727	106,128	-	47,149	286	252	52	12	2,078	1,464	22	42	45,379
21 \$100,000 under \$150,000.....	1,022	28,254	406	1,233	18,835	109,973	1,307	48,698	-	24,589	80	23	13	(2)	611	710	9	84	23,772
22 \$150,000 under \$200,000.....	480	18,874	193	566	13,045	74,796	602	29,790	-	15,599	36	6	5	3	238	276	3	15	15,299
23 \$200,000 under \$500,000.....	680	56,621	249	771	30,645	174,055	821	76,247	-	41,430	59	62	15	11	314	553	8	28	40,776
24 \$500,000 under \$1,000,000.....	168	33,414	50	171	13,266	88,635	192	39,450	-	21,429	21	40	-	-	68	221	2	100	21,068
25 \$1,000,000 or more.....	110	98,278	33	114	9,868	213,342	119	108,917	-	57,095	8	85	-	-	37	272	1	(2)	56,738
26 Total taxable returns.....	86,877	443,077	51,644	120,097	226,001	1,641,991	172,185	901,626	-	339,308	3,963	743	1,406	84	73,880	11,117	663	419	326,945
Nontaxable returns:																			
27 No total income.....	199	80	3,009	3,350	5,681	10,759	-	-	7,094	-	-	-	-	-	-	-	-	-	-
28 Under \$600.....	5,015	260	19,189	31,441	7,853	37,782	(1)	(1)	52,531	1	-	-	-	-	-	-	-	-	-
29 \$600 under \$1,000.....	7,263	676	14,117	29,035	7,562	45,086	63	21	37,692	4	-	-	-	-	-	-	(1)	(1)	-
30 \$1,000 under \$1,500.....	7,661	951	12,596	28,031	9,183	56,944	106	69	34,520	13	-	-	-	-	-	-	63	10	-
31 \$1,500 under \$2,000.....	5,525	670	8,717	20,267	7,645	51,867	-	-	24,349	7	-	-	-	-	-	-	-	-	-
32 \$2,000 under \$2,500.....	5,421	984	6,830	16,078	7,042	51,353	-	-	19,241	(2)	-	-	-	-	-	-	-	-	-
33 \$2,500 under \$3,000.....	3,475	672	4,825	11,661	6,260	44,121	-	-	13,838	-	-	-	-	-	-	-	-	-	-
34 \$3,000 under \$3,500.....	3,789	828	4,716	11,705	7,051	49,621	-	-	13,485	6	-	-	-	-	-	-	-	-	-
35 \$3,500 under \$4,000.....	2,554	512	3,431	8,337	6,086	40,934	-	-	9,803	-	-	-	-	-	-	-	-	-	-
36 \$4,000 under \$4,500.....	2,157	500	3,065	7,687	5,718	41,534	-	-	8,859	-	-	-	-	-	-	-	-	-	-
37 \$4,500 under \$5,000.....	2,367	709	2,523	6,556	4,929	39,552	-	-	7,583	3	-	-	-	-	-	-	-	-	-
38 \$5,000 under \$6,000.....	3,370	1,173	4,309	10,703	10,031	75,392	189	407	12,669	17	85	30	-	-	105	3	63	50	-
39 \$6,000 under \$7,000.....	2,658	1,129	3,388	8,778	9,205	69,223	-	-	9,992	10	-	-	-	-	-	-	-	-	-
40 \$7,000 under \$8,000.....	2,281	1,189	2,866	7,687	9,678	67,870	-	-	8,484	-	-	-	-	-	-	-	-	-	-
41 \$8,000 under \$9,000.....	1,739	888	2,144	5,516	7,784	57,081	-	-	6,295	41	-	-	-	-	-	-	-	-	-
42 \$9,000 under \$10,000.....	1,284	1,085	1,686	4,462	7,032	51,427	-	-	5,050	-	-	-	-	-	-	-	-	-	-
43 \$10,000 under \$15,000.....	4,211	3,929	5,557	14,707	29,842	209,911	-	-	16,424	-	-	-	-	-	-	-	-	-	-
44 \$15,000 under \$20,000.....	2,180	2,729	3,090	8,152	24,667	162,683	-	-	9,138	-	-	-	-	-	-	-	-	-	-
45 \$20,000 under \$25,000.....	1,257	2,366	1,726	4,701	13,776	115,640	-	-	5,078	-	-	-	-	-	-	-	-	-	-
46 \$25,000 under \$50,000.....	2,383	7,589	3,295	8,888	51,351	347,840	-	-	9,772	1	-	-	-	-	-	-	-	-	-
47 \$50,000 under \$100,000.....	737	6,507	1,287	3,514	45,940	273,167	2	19	3,832	7	2	7	-	-	-	-	-	-	-
48 \$100,000 under \$150,000.....	206	3,803	360	1,010	22,708	132,056	-	-	1,073	-	-	-	-	-	-	-	-	-	-
49 \$150,000 under \$200,000.....	82	1,370	142	415	10,783	78,877	-	-	448	-	-	-	-	-	-	-	-	-	-
50 \$200,000 under \$500,000.....	120	5,508	200	489	24,410	178,218	-	-	600	-	-	-	-	-	-	-	-	-	-
51 \$500,000 under \$1,000,000.....	32	7,551	56	168	10,059	121,247	-	-	179	-	-	-	-	-	-	-	-	-	-
52 \$1,000,000 or more.....	7	896	29	52	10,847	123,333	-	-	80	-	-	-	-	-	-	-	-	-	-
53 Total nontaxable returns.....	67,973	54,554	113,153	253,390	363,123	2,533,518	402	522	318,109	110	87	37	63	9	105	3	168	61	-
54 Grand total.....	154,850	497,631	164,797	373,487	589,124	4,175,509	172,587	902,148	318,109	339,418	4,050	780	1,469	93	73,985	11,120	831	480	326,945
55 Returns under \$5,000.....	78,849	21,634	109,687	227,884	88,619	570,381	92,868	88,193	228,995	17,841	1,449	43	626	22	42,142	1,532	353	35	16,209
56 Returns \$5,000 or more.....	76,001	475,997	55,110	145,603	500,505	3,605,128	79,719	813,955	89,114	321,577	2,601	737	843	71	31,843	9,588	478	445	310,736

See text for "Description of Sample and Limitations of Data" and "Explanation of Classifications and Terms."

¹Sample variability is too large to warrant showing separately. However, the grand total includes data deleted for this reason.²Less than \$500.³Deficit in total income.⁴Total income less deficit in total income.

Table 3.—TRUSTS: SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX, BY TOTAL INCOME CLASSES

Total income classes	Number of trusts	Dividends (before exclusions)		Interest received		Partnership and fiduciary income				Gross rents and royalties		Trade or business				Sales of capital assets					
		Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Net profit		Net loss		Number of returns	Amount (Thousand dollars)	Gross profit		Gross loss		Net gain		Net loss			
						Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)			
Taxable returns:																					
Under \$600.....	14,451	9,732	2,601	7,881	1,332	1,836	330	86	40	954	327	65	25	-	-	3,244	408	486	97		
\$600 under \$1,000.....	8,109	5,859	3,256	4,162	1,192	1,200	609	(1)	(1)	865	557	97	72	-	-	2,617	708	357	70		
\$1,000 under \$1,500.....	7,593	5,468	4,213	4,424	1,545	1,063	783	65	40	1,191	1,081	151	149	-	-	3,052	1,542	324	51		
\$1,500 under \$2,000.....	6,141	4,725	4,857	3,644	1,404	822	832	54	67	995	1,233	86	108	-	-	3,158	2,042	238	42		
\$2,000 under \$2,500.....	5,697	4,389	5,722	3,382	1,507	1,038	1,318	(1)	(1)	921	1,525	65	54	-	-	3,058	2,514	270	108		
\$2,500 under \$3,000.....	4,919	3,782	5,635	2,993	1,625	886	1,439	65	8	899	1,765	54	126	-	-	2,508	2,605	182	39		
\$3,000 under \$3,500.....	4,658	3,814	6,569	2,886	1,604	670	1,206	(1)	(1)	778	1,688	76	167	-	-	2,939	3,421	216	84		
\$3,500 under \$4,000.....	4,009	3,241	6,507	2,614	1,587	703	1,336	54	15	605	1,603	(1)	(1)	-	-	2,528	3,564	162	50		
\$4,000 under \$4,500.....	3,872	3,212	7,381	2,324	1,411	639	1,509	44	81	639	1,886	86	220	-	-	2,541	4,045	141	45		
\$4,500 under \$5,000.....	3,330	2,801	7,071	2,185	1,434	542	1,115	54	12	617	1,847	(1)	(1)	153	268	2,195	3,762	130	108		
\$5,000 under \$6,000.....	5,829	4,735	13,268	3,850	2,877	984	2,746	54	12	1,051	3,521	65	148	-	-	3,978	8,486	130	53		
\$6,000 under \$7,000.....	5,264	4,313	14,223	3,611	3,183	735	2,409	54	12	1,211	4,703	86	425	-	-	3,665	8,410	141	61		
\$7,000 under \$8,000.....	4,336	3,666	14,644	2,941	2,856	530	2,415	66	246	704	3,350	108	556	-	-	2,985	8,258	108	40		
\$8,000 under \$9,000.....	3,426	2,931	13,063	2,517	2,452	508	2,514	66	246	594	3,174	(1)	(1)	-	-	2,551	7,613	97	53		
\$9,000 under \$10,000.....	3,288	2,856	14,617	2,249	1,967	391	1,691	66	246	713	3,630	108	855	-	-	2,369	7,911	141	37		
\$10,000 under \$15,000.....	10,976	9,625	58,823	8,268	9,601	1,447	9,094	151	145	2,367	15,693	86	520	-	-	8,345	38,789	496	180		
\$15,000 under \$20,000.....	6,901	6,001	54,468	5,020	7,402	789	6,646	97	148	1,235	10,384	130	1,185	-	-	5,408	38,494	217	138		
\$20,000 under \$25,000.....	4,321	3,730	42,455	3,279	6,362	406	4,196	(1)	(1)	921	8,490	109	1,066	-	-	3,541	31,833	151	78		
\$25,000 under \$50,000.....	8,142	7,361	128,299	6,110	11,630	837	11,575	86	579	1,755	27,391	234	3,575	-	-	6,631	93,172	318	179		
\$50,000 under \$100,000.....	3,615	3,312	113,171	2,740	8,073	310	6,525	57	147	920	24,458	122	6,059	34	326	3,020	89,960	154	92		
\$100,000 under \$150,000.....	1,004	910	45,759	753	3,312	101	4,007	10	81	306	15,586	47	2,780	8	151	844	49,871	25	19		
\$150,000 under \$200,000.....	448	406	30,182	329	1,598	38	1,183	9	25	127	8,135	26	3,345	2	4	391	32,316	16	13		
\$200,000 under \$500,000.....	650	603	66,520	497	3,583	51	1,460	9	27	194	16,061	55	9,568	6	298	552	96,698	21	16		
\$500,000 under \$1,000,000.....	171	149	33,884	112	888	7	816	-	-	36	8,195	21	9,308	-	-	151	60,339	7	5		
\$1,000,000 or more.....	104	95	88,153	66	664	6	1,047	1	1	18	6,293	4	3,727	-	-	99	188,358	4	4		
Total taxable returns.....	121,254	97,716	785,341	78,837	81,089	16,539	68,801	1,049	1,697	20,616	172,576	1,999	44,327	203	1,047	72,370	785,119	4,532	1,662		
Nontaxable returns:																					
No total income.....	2,929	972	531	946	470	63	7	1,183	3,502	280	522	(1)	(1)	168	898	174	156	986	1,900		
Under \$600.....	34,991	20,423	4,766	22,061	4,058	2,952	338	168	130	2,137	533	231	47	-	-	5,663	454	1,905	560		
\$600 under \$1,000.....	26,291	19,887	10,680	17,229	6,105	2,281	681	126	97	2,388	1,600	231	175	-	-	7,787	1,326	1,151	314		
\$1,000 under \$1,500.....	25,602	20,536	17,688	16,642	7,985	2,804	1,207	105	148	2,346	2,039	231	223	67	20	8,707	2,067	1,319	354		
\$1,500 under \$2,000.....	18,442	15,425	18,790	12,309	6,873	1,779	1,154	(1)	(1)	2,303	2,754	209	272	-	-	6,362	1,593	691	130		
\$2,000 under \$2,500.....	14,697	12,601	19,421	9,964	6,189	1,571	1,295	-	-	1,802	2,322	146	264	63	15	5,902	2,289	565	147		
\$2,500 under \$3,000.....	10,740	8,982	18,588	7,307	5,796	1,068	1,200	63	562	1,384	2,356	209	512	-	-	4,123	1,599	649	110		
\$3,000 under \$3,500.....	10,806	9,150	21,360	7,204	5,383	1,047	1,145	(1)	(1)	1,763	3,984	169	393	-	-	4,123	2,052	586	176		
\$3,500 under \$4,000.....	7,666	6,577	19,666	5,132	4,736	566	622	83	39	1,300	3,348	(1)	(1)	-	-	3,035	1,524	503	1,768		
\$4,000 under \$4,500.....	7,101	6,179	19,434	5,154	5,339	421	504	63	176	986	2,720	63	222	-	-	2,620	1,535	397	264		
\$4,500 under \$5,000.....	6,452	5,611	19,263	4,459	4,610	523	787	63	176	900	2,957	83	289	-	-	2,788	2,040	232	105		
\$5,000 under \$6,000.....	10,345	8,940	36,186	7,644	7,581	628	895	66	127	1,824	6,359	209	989	-	-	4,085	3,378	755	127		
\$6,000 under \$7,000.....	8,271	6,764	33,074	5,445	6,997	502	989	66	127	1,866	8,318	126	429	-	-	2,974	3,067	314	118		
\$7,000 under \$8,000.....	7,018	5,760	32,121	4,882	6,622	272	472	63	21	1,637	8,405	108	736	63	39	2,763	3,467	524	229		
\$8,000 under \$9,000.....	5,245	4,586	28,835	3,331	4,875	377	906	63	21	1,054	5,433	107	885	-	-	2,177	3,042	294	66		
\$9,000 under \$10,000.....	4,300	3,713	25,891	3,042	4,727	335	779	63	21	964	5,763	83	730	-	-	1,619	3,184	232	112		
\$10,000 under \$15,000.....	13,440	11,418	99,219	9,390	16,651	692	3,156	64	186	3,251	26,147	323	2,885	44	294	5,261	13,838	879	347		
\$15,000 under \$20,000.....	7,460	5,969	75,355	5,110	11,074	460	3,165	63	454	1,866	24,396	254	3,984	-	-	2,807	9,463	545	183		
\$20,000 under \$25,000.....	4,263	3,688	57,212	2,728	7,640	335	3,033	63	454	1,201	15,533	111	1,774	-	-	1,637	7,339	190	238		
\$25,000 under \$50,000.....	8,094	6,396	162,886	4,870	21,032	446	5,230	106	832	2,475	58,408	211	4,969	-	-	3,204	23,664	399	287		
\$50,000 under \$100,000.....	3,186	2,467	112,549	1,847	15,443	144	4,329	15	167	1,155	48,740	149	7,701	6	95	1,214	26,681	167	343		
\$100,000 under \$150,000.....	900	748	58,324	551	5,852	37	1,477	5	21	262	19,158	33	1,718	5	59	369	18,561	23	41		
\$150,000 under \$200,000.....	404	324	39,755	245	3,250	20	595	-	-	105	12,552	17	2,137	2	40	160	10,523	31	19		
\$200,000 under \$500,000.....	502	419	75,560	290	4,566	37	2,290	6	12	161	26,559	20	3,814	1	4	210	27,518	17	16		
\$500,000 under \$1,000,000.....	164	150	60,780	89	3,173	3	1,197	1	27	29	8,293	7	2,409	1	8	76	27,718	3	5		
\$1,000,000 or more.....	54	46	58,764	24	3,626	2	403	-	-	10	7,145	3	4,159	1	116	17	14,767	1	1		
Total nontaxable returns.....	239,363	187,731	1,126,698	157,895	180,653	19,365	37,856	2,264	6,542	35,449	306,344	3,400	41,935	421	1,588	79,857	212,845	13,358	7,960		
Grand total.....	360,617	285,447	1,912,039	236,732	261,742	35,904	106,657	3,313	8,239	56,065	478,920	5,399	86,262	624	2,635	152,227	997,964	17,890	9,622		
Returns under \$5,000.....	228,496	173,366	223,999	144,902	72,185	24,474	19,417	2,351	4,970	26,053	38,647	2,394	3,789	396	1,109	79,124	41,246	11,490	6,522		
Returns \$5,000 or more.....	132,121	112,081	1,688,040																		

Table 3.—TRUSTS: SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX, BY TOTAL INCOME CLASSES—Continued

Total income classes	Sales of property other than capital assets				Other sources (Thousand dollars)	Total income (Thousand dollars)	Distributions to beneficiaries		Exemptions				Taxable income of fiduciary		Number of returns with no taxable income of fiduciary	Income tax after credits (Thousand dollars)	
	Net gain		Net loss				Number of returns	Amount (Thousand dollars)	Returns with \$300		Returns with \$100		Number of returns	Amount (Thousand dollars)			
	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)					Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)					
	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	
Taxable returns:																	
1	Under \$600.....	97	11	97	4	95	4,988	747	61	141	42	14,310	1,431	14,451	2,354	-	416
2	\$600 under \$1,000.....	108	42	(1)	(1)	142	6,506	1,503	516	444	133	7,665	767	8,109	3,827	-	680
3	\$1,000 under \$1,500.....	108	69	65	13	291	9,561	2,411	1,352	973	292	6,620	662	7,593	5,234	-	947
4	\$1,500 under \$2,000.....	54	23			354	10,664	2,541	1,904	1,525	457	4,616	462	6,141	5,450	-	969
5	\$2,000 under \$2,500.....	108	66			271	12,794	2,604	2,587	1,578	473	4,119	412	5,697	6,570	-	1,181
6	\$2,500 under \$3,000.....	162	176	130	38	223	13,493	2,495	3,261	1,556	467	3,363	336	4,919	6,421	-	1,185
7	\$3,000 under \$3,500.....	65	109			487	15,148	2,636	4,296	1,739	522	4,658	292	4,658	6,731	-	1,245
8	\$3,500 under \$4,000.....	54	55			334	15,022	2,366	4,348	1,587	476	2,422	242	4,009	6,230	-	1,159
9	\$4,000 under \$4,500.....	76	133	54	41	441	16,888	2,390	5,145	1,677	503	2,195	219	3,872	7,032	-	1,340
10	\$4,500 under \$5,000.....	86	142			477	15,861	2,066	5,132	1,427	428	1,903	190	3,330	6,431	-	1,220
11	\$5,000 under \$6,000.....	141	293			722	31,944	3,686	10,291	2,713	814	3,116	311	5,829	12,691	-	2,498
12	\$6,000 under \$7,000.....	119	367	161	73	487	34,135	3,546	11,351	2,648	794	2,616	262	5,264	13,066	-	2,619
13	\$7,000 under \$8,000.....	86	198			212	32,442	2,790	10,472	2,033	610	2,303	230	4,336	13,362	-	2,769
14	\$8,000 under \$9,000.....	65	203			240	28,991	2,433	10,400	1,849	555	1,577	158	3,426	10,798	-	2,272
15	\$9,000 under \$10,000.....	86	81			509	31,223	2,368	11,548	1,720	516	1,568	157	3,288	11,356	-	2,457
16	\$10,000 under \$15,000.....	173	702	86	220	1,723	134,385	8,272	49,879	5,959	1,788	5,017	501	10,976	47,062	-	10,816
17	\$15,000 under \$20,000.....	130	443	76	244	1,086	119,578	5,137	43,417	4,011	1,203	2,890	290	6,901	41,600	-	10,583
18	\$20,000 under \$25,000.....	97	764	23	49	1,691	96,647	3,340	35,085	2,573	772	1,748	175	4,321	33,344	-	9,323
19	\$25,000 under \$50,000.....	118	1,898			3,360	280,141	6,724	109,076	4,920	1,476	3,222	322	8,142	90,874	-	29,972
20	\$50,000 under \$100,000.....	112	2,398	32	56	1,678	251,701	3,087	97,229	2,264	679	1,351	135	3,615	76,995	-	32,666
21	\$100,000 under \$150,000.....	24	720	8	6	578	122,356	873	43,616	622	186	382	38	1,004	36,479	-	17,771
22	\$150,000 under \$200,000.....	5	501	6	3	237	77,452	405	28,703	280	84	168	17	448	22,115	-	11,205
23	\$200,000 under \$500,000.....	37	2,853	16	32	1,394	197,764	572	60,567	403	121	247	25	650	61,393	-	32,500
24	\$500,000 under \$1,000,000.....	3	7	3	13	313	113,732	143	32,270	101	30	70	7	171	34,732	-	18,413
25	\$1,000,000 or more.....	1	(3)	1	70	269	288,436	86	85,180	69	20	35	4	104	97,486	-	50,012
26	Total taxable returns.....	2,115	12,254	790	863	17,614	1,961,852	65,221	667,686	44,812	13,441	76,442	7,645	121,254	659,633	-	246,218
Nontaxable returns:																	
27	No total income.....	(1)	(1)	236	1,057	16	25,520	(1)	(1)	1,080	324	1,860	186	-	-	2,929	-
28	Under \$600.....	83	20	251	54	431	9,894	27,064	7,195	25,704	7,712	9,277	928			34,949	-
29	\$600 under \$1,000.....	209	103	83	3	631	20,876	24,742	16,565	23,046	6,914	3,245	324			26,270	-
30	\$1,000 under \$1,500.....	188	67	126	115	1,106	31,765	24,450	25,687	23,109	6,933	2,492	249			25,560	-
31	\$1,500 under \$2,000.....	126	11	63	7	721	32,000	17,751	25,971	16,516	4,955	1,925	193			18,421	-
32	\$2,000 under \$2,500.....	146	39	83	2	1,429	33,084	14,090	27,024	13,106	3,932	1,592	160			14,676	-
33	\$2,500 under \$3,000.....	63	43	(1)	(1)	704	30,123	10,237	24,568	9,463	2,839	1,277	128			10,740	-
34	\$3,000 under \$3,500.....	105	66	83	72	818	34,943	10,428	28,331	10,073	3,023	733	73			10,806	-
35	\$3,500 under \$4,000.....	(1)	(1)	64	18	386	28,597	7,372	23,156	6,910	2,073	756	75			7,666	-
36	\$4,000 under \$4,500.....	83	64	63	5	542	30,085	6,934	25,291	6,494	1,949	607	61			7,101	-
37	\$4,500 under \$5,000.....	63	25			774	30,469	6,281	25,443	5,928	1,779	524	53			6,452	-
38	\$5,000 under \$6,000.....	83	97	84	18	1,307	56,537	10,008	46,547	9,338	2,801	1,008	101			10,345	-
39	\$6,000 under \$7,000.....	105	43			745	53,531	8,188	43,555	7,580	2,274	691	69			8,271	-
40	\$7,000 under \$8,000.....	105	94			1,001	52,634	6,704	42,365	6,428	1,928	590	59			7,018	-
41	\$8,000 under \$9,000.....	-	-	105	31	577	44,454	5,117	37,249	4,888	1,466	357	36	169	267	5,224	-
42	\$9,000 under \$10,000.....	(1)	(1)	(1)	(1)	303	40,780	4,090	33,516	4,027	1,209	273	27			4,300	-
43	\$10,000 under \$15,000.....	106	459	147	619	3,161	164,364	13,119	133,476	12,113	3,634	1,327	133			13,440	-
44	\$15,000 under \$20,000.....	84	75	105	81	1,140	128,179	7,208	101,626	6,685	2,006	774	77			7,460	-
45	\$20,000 under \$25,000.....	64	701	-	-	1,798	94,271	4,154	76,442	4,053	1,216	210	21			4,263	-
46	\$25,000 under \$50,000.....	127	2,075	67	11	2,783	279,899	7,705	217,440	7,330	2,200	765	76			8,094	-
47	\$50,000 under \$100,000.....	75	2,670	50	50	2,978	220,436	2,987	162,427	2,896	869	290	29			3,185	-
48	\$100,000 under \$150,000.....	42	2,291	10	22	1,106	108,344	828	81,455	828	249	72	7			900	-
49	\$150,000 under \$200,000.....	5	635	1	29	559	69,918	365	52,979	376	113	28	3			404	-
50	\$200,000 under \$500,000.....	12	1,522	1	(3)	1,589	143,386	473	112,966	456	137	46	5			502	-
51	\$500,000 under \$1,000,000.....	3	538	1	5	171	104,234	160	88,836	148	45	16	2			164	-
52	\$1,000,000 or more.....	2	1,051	1	(3)	1,949	91,747	49	74,095	43	13	11	1			54	-
53	Total nontaxable returns.....	1,967	12,754	1,687	2,690	28,725	1,929,030	220,547	1,534,214	208,618	62,593	30,746	3,076	169	267	239,194	-
54	Grand total.....	4,082	25,008	2,477	3,553	46,339	4,390,882	285,768	2,201,900	253,430	76,034	107,188	10,721	121,423	659,900	239,194	246,218
55	Returns under \$5,000.....	2,030	1,320	1,493	1,434	10,673	4,997,241	171,151	257,842	154,076	46,226	74,420	7,443	62,926	56,378	165,570	10,342
56	Returns \$5,000 or more.....	2,052	23,688	984	2,119	35,666	3,493,641	114,617	1,944,058	99,354	29,808	32,768	3,278	58,497	603,522	73,624	235,876

See text for "Description of Sample and Limitations of Data" and "Explanation of Classifications and Terms."

¹Sample variability is too large to warrant showing separately. However, the grand total includes data deleted for this reason.²Deficit in total income.³Less than \$500.⁴Total income less deficit in total income.

Table 4.—ESTATES: SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX, BY TOTAL INCOME CLASSES

Total income classes		Number of estates	Dividends (before exclusions)		Interest received		Partnership and fiduciary income				Gross rents and royalties		Trade or business			
			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Net profit		Net loss		Number of returns	Amount (Thousand dollars)	Gross profit		Gross loss	
							Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)			Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Taxable returns:																
Under \$600.....		119	54	28	76	30	-	-	-	-	(1)	(1)	(1)	(1)	-	-
\$600 under \$1,000.....		4,210	2,415	1,337	2,626	1,240	281	154	-	-	660	285	205	175	-	-
\$1,000 under \$1,500.....		5,782	3,722	2,904	3,430	1,715	378	308	-	-	1,374	1,117	335	536	-	-
\$1,500 under \$2,000.....		4,805	2,999	3,106	2,707	1,620	324	357	-	-	1,592	1,680	335	474	-	-
\$2,000 under \$2,500.....		3,784	2,584	3,377	2,250	1,515	108	155	-	-	1,372	2,026	196	350	-	-
\$2,500 under \$3,000.....		3,058	1,829	2,716	1,873	1,523	217	277	-	-	1,153	2,097	273	497	-	-
\$3,000 under \$3,500.....		2,514	1,545	2,570	1,449	1,103	206	382	-	-	991	1,952	324	803	-	-
\$3,500 under \$4,000.....		2,191	1,483	3,130	1,266	1,199	185	389	282	263	857	1,953	154	463	-	-
\$4,000 under \$4,500.....		1,644	1,125	2,635	931	819	86	151	-	-	659	1,485	281	851	-	-
\$4,500 under \$5,000.....		1,666	1,233	3,291	1,158	1,047	162	416	-	-	606	1,659	87	327	-	-
\$5,000 under \$6,000.....		2,587	1,775	5,148	1,666	1,823	198	730	-	-	984	3,044	293	1,061	379	560
\$6,000 under \$7,000.....		2,262	1,613	5,727	1,406	1,253	259	580	-	-	984	3,176	358	1,533	-	-
\$7,000 under \$8,000.....		1,625	1,201	5,436	1,093	1,473	143	552	-	-	705	2,822	121	625	-	-
\$8,000 under \$9,000.....		1,298	997	4,250	953	1,286	173	619	-	-	551	2,358	184	1,084	-	-
\$9,000 under \$10,000.....		1,418	1,039	5,288	952	1,285	174	867	-	-	553	2,626	143	966	-	-
\$10,000 under \$15,000.....		4,049	2,996	16,971	2,889	5,420	543	3,051	54	110	1,990	10,478	510	4,472	-	-
\$15,000 under \$20,000.....		2,173	1,771	14,331	1,666	3,278	303	2,513	54	42	843	6,662	251	2,563	-	-
\$20,000 under \$25,000.....		1,529	1,104	13,129	1,055	2,074	141	1,396	65	276	642	6,162	190	2,748	-	-
\$25,000 under \$50,000.....		2,441	1,784	27,697	1,855	6,458	359	5,825	-	-	970	13,817	478	13,064	-	-
\$50,000 under \$100,000.....		1,112	894	24,028	847	4,479	200	5,702	35	657	485	11,508	261	12,669	12	56
\$100,000 under \$150,000.....		303	241	10,058	210	1,983	38	1,682	9	28	119	5,137	91	7,469	4	33
\$150,000 under \$200,000.....		154	134	6,947	128	1,437	36	1,375	15	230	82	5,372	42	4,679	3	24
\$200,000 under \$500,000.....		171	150	12,111	123	1,757	17	1,252	15	241	62	4,560	53	13,614	3	28
\$500,000 under \$1,000,000.....		21	20	4,246	16	350	3	62	3	91	8	882	2	1,052	2	83
\$1,000,000 or more.....		15	12	5,069	14	434	4	249	1	1	9	4,823	2	4,491	2	97
Total taxable returns.....		50,931	34,720	185,530	32,639	46,601	4,538	29,044	533	1,939	17,883	97,694	5,180	76,572	405	881
Nontaxable returns:																
No total income.....		4,165	842	470	908	339	65	54	446	1,984	699	282	107	187	681	3,022
Under \$600.....		17,582	7,708	1,862	9,193	1,916	356	146	126	42	3,873	1,355	1,081	478	293	173
\$600 under \$1,000.....		11,464	5,328	2,453	5,956	2,085	377	230	-	-	4,375	2,838	921	643	83	36
\$1,000 under \$1,500.....		9,024	4,418	3,045	4,417	2,200	251	189	84	74	4,123	3,931	672	805	63	59
\$1,500 under \$2,000.....		5,949	2,974	2,658	3,099	1,640	314	289	-	-	2,891	3,949	652	770	-	-
\$2,000 under \$2,500.....		4,565	2,638	3,015	2,282	1,463	106	213	63	28	2,115	3,537	377	584	-	-
\$2,500 under \$3,000.....		3,098	1,507	2,249	1,653	1,529	63	95	-	-	1,465	3,116	356	860	126	444
\$3,000 under \$3,500.....		2,700	1,674	2,755	1,548	1,177	126	270	-	-	1,234	2,798	335	830	-	-
\$3,500 under \$4,000.....		2,137	1,089	2,287	1,151	1,152	127	361	126	119	1,110	3,165	209	463	-	-
\$4,000 under \$4,500.....		1,758	796	1,789	1,005	1,498	63	123	-	-	816	2,422	209	716	63	184
\$4,500 under \$5,000.....		1,152	692	2,079	670	881	(1)	(1)	-	-	441	1,318	188	629	-	-
\$5,000 under \$6,000.....		2,345	1,402	4,201	1,465	1,633	168	444	-	-	1,131	3,807	357	1,592	-	-
\$6,000 under \$7,000.....		1,742	1,069	3,685	1,216	1,110	83	158	63	17	923	4,272	109	733	-	-
\$7,000 under \$8,000.....		1,466	860	3,353	838	869	(1)	(1)	-	-	586	2,446	377	2,409	-	-
\$8,000 under \$9,000.....		1,071	503	2,372	587	949	-	-	-	-	547	3,189	273	1,941	130	221
\$9,000 under \$10,000.....		750	462	2,138	379	468	83	161	-	-	421	2,596	88	391	-	-
\$10,000 under \$15,000.....		2,984	1,552	8,590	1,638	3,672	231	1,281	88	303	1,657	13,414	598	5,212	-	-
\$15,000 under \$20,000.....		1,678	930	7,725	885	2,847	148	1,313	-	-	828	7,644	459	5,375	-	-
\$20,000 under \$25,000.....		815	550	6,214	530	1,358	(1)	(1)	-	-	360	4,100	164	2,561	-	-
\$25,000 under \$50,000.....		1,699	856	13,423	922	3,774	149	935	-	-	898	16,611	446	12,894	-	-
\$50,000 under \$100,000.....		648	297	6,739	357	1,695	110	2,582	24	203	372	13,486	234	14,524	3	114
\$100,000 under \$150,000.....		173	91	3,308	134	1,008	12	488	1	(2)	87	4,581	71	6,660	3	114
\$150,000 under \$200,000.....		44	22	1,712	31	242	6	487	-	-	23	1,951	11	1,155	-	-
\$200,000 under \$500,000.....		98	71	4,289	75	1,261	9	476	4	32	65	5,385	48	10,009	1	(2)
\$500,000 under \$1,000,000.....		15	10	2,381	14	586	4	857	1	(2)	10	1,663	4	1,526	1	58
\$1,000,000 or more.....		26	26	6,999	4	117	1	1,125	-	-	3	261	2	2,154	-	52
Total nontaxable returns.....		79,148	38,367	101,791	40,957	37,469	2,979	12,716	1,026	2,802	31,053	114,117	8,348	76,101	1,447	4,425
Grand total.....		130,079	73,087	287,321	73,596	84,070	7,517	41,760	1,559	4,741	48,936	211,811	13,528	152,673	1,852	5,306
Returns under \$5,000.....		93,367	48,655	49,756	49,648	27,691	3,837	4,647	1,019	2,331	32,438	42,978	7,308	11,447	1,451	3,981
Returns \$5,000 or more.....		36,712	24,432	23,765	23,948	56,379	3,680	37,113	540	2,410	16,498	168,833	6,220	141,226	401	1,325

Footnotes at end of table. See text for "Description of Sample and Limitations of Data" and "Explanation of Classifications and Terms."

Table 4.—ESTATES: SOURCES OF INCOME AND LOSS, EXEMPTIONS, TAXABLE INCOME, AND INCOME TAX, BY TOTAL INCOME CLASSES—Continued

Total income classes		Sales of capital assets				Sales of property other than capital assets				Other sources (Thousand dollars)	Total income (Thousand dollars)	Distributions to beneficiaries		Exemptions (Thousand dollars)	Taxable income of fiduciary		Number of returns with no taxable income of fiduciary	Income tax after credits (Thousand dollars)
		Net gain		Net loss		Net gain		Net loss				Number of returns	Amount (Thousand dollars)		Number of returns	Amount (Thousand dollars)		
		Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)	Number of returns	Amount (Thousand dollars)									
(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)		
Taxable returns:																		
1	Under \$600.....	(1)	(1)	-	-	-	-	-	-	86			71	119	21	-	4	
2	\$600 under \$1,000.....	634	93	266	62	140	51	63	27	306	3,531	35	2	2,526	4,210	502	-	120
3	\$1,000 under \$1,500.....	1,116	518	342	162	139	48	54	42	376	7,308	150	50	3,469	5,782	2,623	-	466
4	\$1,500 under \$2,000.....	1,242	700	297	103	203	150	65	42	454	8,391	256	66	2,883	4,805	3,677	-	663
5	\$2,000 under \$2,500.....	966	627	386	144	136	85	(1)	(1)	574	8,520	284	48	2,270	3,784	4,162	-	745
6	\$2,500 under \$3,000.....	822	718	168	103	127	140	63	57	634	8,418	296	257	1,835	3,058	4,158	-	769
7	\$3,000 under \$3,500.....	701	824	140	81	(1)	(1)			541	8,116	271	299	1,508	2,514	4,233	-	789
8	\$3,500 under \$4,000.....	749	1,082	164	102	92	90			420	8,607	328	822	1,315	2,191	4,320	-	805
9	\$4,000 under \$4,500.....	555	646	153	85	65	61	124	77	464	6,997	250	348	986	1,644	3,707	-	701
10	\$4,500 under \$5,000.....	918	922	150	40	60	41			299	7,919	452	639	1,000	1,666	4,307	-	805
11	\$5,000 under \$6,000.....	915	1,562	164	112	122	149	71	30	907	14,253	468	1,120	1,552	2,587	8,118	-	1,554
12	\$6,000 under \$7,000.....	786	1,594	265	131	77	91	55	26	899	14,614	487	1,119	1,357	2,262	8,152	-	1,567
13	\$7,000 under \$8,000.....	687	1,271	148	93	(1)	(1)			232	12,240	421	1,490	975	1,625	6,708	-	1,362
14	\$8,000 under \$9,000.....	533	1,044	106	90	64	114			521	11,035	318	931	779	1,298	6,407	-	1,334
15	\$9,000 under \$10,000.....	594	1,890	124	68	51	60	94	58	531	13,417	317	1,039	851	1,418	7,752	-	1,651
16	\$10,000 under \$15,000.....	1,789	7,430	531	355	133	691	83	91	1,397	49,308	1,227	7,092	2,429	4,049	24,551	-	5,633
17	\$15,000 under \$20,000.....	1,177	7,203	227	160	83	234	(1)	(1)	1,448	37,880	775	5,165	1,304	2,173	18,915	-	4,993
18	\$20,000 under \$25,000.....	832	6,702	136	121			(1)	(1)	1,782	34,006	603	5,298	917	1,529	17,031	-	5,004
19	\$25,000 under \$50,000.....	1,426	15,571	253	188	54	282	(1)	(1)	2,882	84,789	1,224	17,940	1,465	2,441	32,619	-	11,297
20	\$50,000 under \$100,000.....	666	17,261	148	115	32	508	(1)	(1)	2,897	78,167	594	14,701	1,112	29,133	-	12,713	
21	\$100,000 under \$150,000.....	200	9,105	19	16	8	84	6	8	882	36,315	154	6,037	182	303	12,219	-	6,001
22	\$150,000 under \$200,000.....	109	6,731	19	7	210	6	12	6	661	27,134	94	5,375	92	154	7,675	-	4,094
23	\$200,000 under \$500,000.....	134	18,058	7	6	3	6	16	62	1,517	52,538	92	8,634	103	171	14,854	-	8,276
24	\$500,000 under \$1,000,000.....	19	7,897	2	2	-	-	-	-	40	14,353	17	2,852	13	21	4,718	-	2,655
25	\$1,000,000 or more.....	14	17,505	1	1	1	6	-	-	1,345	33,823	9	3,537	9	15	11,431	-	6,726
26	Total taxable returns.....	17,604	126,963	4,216	2,352	1,669	3,183	861	659	22,009	581,765	9,122	84,861	30,558	50,931	241,993	-	80,727
Nontaxable returns:																		
27	No total income.....	213	454	1,280	1,493	(1)	(1)	589	1,207	27	35,822	146	146	2,499	-	-	4,165	-
28	Under \$600.....	1,978	264	1,508	609	452	117	377	96	281	5,499	3,417	1,090	10,549	(1)	(1)	17,582	-
29	\$600 under \$1,000.....	1,445	488	649	306	335	109	105	42	561	8,999	4,502	2,781	6,879	64	24	11,422	-
30	\$1,000 under \$1,500.....	1,444	679	565	218	146	85	105	48	729	11,338	4,481	4,061	5,414			8,960	-
31	\$1,500 under \$2,000.....	1,193	724	251	96	126	41	83	27	507	10,241	3,497	4,453	3,569			5,928	-
32	\$2,000 under \$2,500.....	1,257	1,134	293	139	168	114			370	10,234	3,058	4,780	2,738			4,565	-
33	\$2,500 under \$3,000.....	691	791	272	217	(1)	(1)			404	8,541	2,135	3,756	1,858			3,098	-
34	\$3,000 under \$3,500.....	796	643	188	46	63	104	169	79	298	8,801	1,758	4,257	1,620			2,679	-
35	\$3,500 under \$4,000.....	502	518	146	67					322	7,957	1,508	3,978	1,283			2,137	-
36	\$4,000 under \$4,500.....	397	539	105	15	84	203			277	7,412	1,444	4,331	1,055			1,758	-
37	\$4,500 under \$5,000.....	293	279	127	31					181	5,501	963	3,608	691			1,131	-
38	\$5,000 under \$6,000.....	628	770	126	46	105	145	63	206	570	12,887	1,779	7,626	1,407			2,324	-
39	\$6,000 under \$7,000.....	628	1,061	83	44	(1)	(1)			373	11,140	1,424	6,350	1,045	126	207	1,721	-
40	\$7,000 under \$8,000.....	502	1,473	146	78	63	170			258	10,968	1,193	5,896	879			1,466	-
41	\$8,000 under \$9,000.....	293	443	63	34			108	278	201	9,045	797	4,567	642			1,071	-
42	\$9,000 under \$10,000.....	233	754	(1)	(1)	22	121			524	7,119	526	3,706	450			750	-
43	\$10,000 under \$15,000.....	738	3,105	188	124	63	68	83	47	982	35,850	2,305	17,808	1,790			2,984	-
44	\$15,000 under \$20,000.....	509	2,688	105	77	(1)	(1)			1,409	28,587	1,333	15,405	1,007			1,678	-
45	\$20,000 under \$25,000.....	231	2,329	108	15	64	839	88	515	1,004	18,331	719	10,932	489			815	-
46	\$25,000 under \$50,000.....	518	6,237	67	42	67	1,072			3,280	58,113	1,442	30,735	1,019			1,678	-
47	\$50,000 under \$100,000.....	265	6,658	42	221	5	127	12	28	744	45,989	549	20,761	389	1	19	647	-
48	\$100,000 under \$150,000.....	50	1,899	9	6	24	1,614	2	(2)	484	19,922	133	8,700	104			173	-
49	\$150,000 under \$200,000.....	24	1,702	1	1					234	7,482	35	4,030	26			44	-
50	\$200,000 under \$500,000.....	42	5,557	28	27	2	91	4	13	289	27,285	56	8,466	58			98	-
51	\$500,000 under \$1,000,000.....	8	2,317	3	3					314	9,583	11	2,707	9			15	-
52	\$1,000,000 or more.....	25	20,075	-	-	-	-	-	-	39	30,770	24	22,371	15			26	-
	Total nontaxable returns.....	14,903	63,581	6,374	3,966	1,896	5,114	1,788	2,586	14,662	441,772	39,235	207,301	47,484	233	255	78,915	-
54	Grand total.....	32,507	190,544	10,590	6,318	3,565	8,297	2,649	3,245	36,671	4993,537	48,357	292,162	78,042	51,164	242,248	78,915	80,727
55	Returns under \$5,000.....	17,932	12,652	7,450	4,119	2,440	1,580	1,842	1,751	8,025	4146,594	29,231	39,772	56,018	29,942	31,815	63,425	5,867
56	Returns \$5,000 or more.....	14,575	177,892	3,140	2,199	1,125	6,717	807	1,494	28,646	846,943	19,126	252,390	22,024	21,222	210,433	15,490	74,860

See text for "Description of Sample and Limitations of Data" and "Explanation of Classifications and Terms."

¹Sample variability is too large to warrant showing separately. However, the grand total includes data deleted for this reason.²Less than \$500.³Deficit in total income.⁴Total income less deficit in total income.

FIDUCIARY INCOME TAX RETURNS FOR 1956

Table 5.—RETURNS WITH TAXABLE INCOME—TAXABLE INCOME, INCOME TAX, AND TAX CREDITS, BY TAXABLE INCOME CLASSES FOR APPLICABLE TAX RATES

Taxable income classes	Number of returns with taxable income of fiduciary	Taxable income of fiduciary (Thousand dollars)	Returns with normal tax and surtax					Returns with alternative tax				
			Number of returns	Taxable income of fiduciary (Thousand dollars)	Normal tax and surtax before credits (Thousand dollars)	Total of the 4 tax credits (Thousand dollars)	Normal tax and surtax after credits (Thousand dollars)	Number of returns	Taxable income of fiduciary (Thousand dollars)	Alternative tax before credits (Thousand dollars)	Total of the 4 tax credits (Thousand dollars)	Alternative tax after credits (Thousand dollars)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Taxable returns:												
1 Not over \$2,000.....	102,214	69,433	102,214	69,433	13,920	929	12,991	-	-	-	-	-
2 Over \$2,000 not over \$4,000.....	25,792	73,777	25,792	73,777	15,174	980	14,194	-	-	-	-	-
3 Over \$4,000 not over \$6,000.....	13,564	66,437	13,564	66,437	14,508	939	13,569	-	-	-	-	-
4 Over \$6,000 not over \$8,000.....	7,924	55,229	7,924	55,229	13,125	903	12,222	-	-	-	-	-
5 Over \$8,000 not over \$10,000.....	5,756	51,432	5,756	51,432	13,087	771	12,316	-	-	-	-	-
6 Over \$10,000 not over \$12,000.....	3,218	35,132	3,218	35,132	9,613	516	9,097	-	-	-	-	-
7 Over \$12,000 not over \$14,000.....	2,182	28,157	2,182	28,157	8,261	438	7,823	-	-	-	-	-
8 Over \$14,000 not over \$16,000.....	1,912	28,507	1,912	28,507	8,937	518	8,419	-	-	-	-	-
9 Over \$16,000 not over \$18,000.....	1,399	23,807	1,399	23,807	7,986	388	7,598	-	-	-	-	-
10 Over \$18,000 not over \$20,000.....	1,364	25,717	1,018	19,138	6,759	316	6,443	346	6,579	2,325	130	2,195
11 Over \$20,000 not over \$22,000.....	880	18,341	619	12,726	4,766	144	4,622	261	5,615	2,094	123	1,971
12 Over \$22,000 not over \$26,000.....	1,222	29,687	837	20,441	8,165	363	7,802	385	9,246	3,631	279	3,352
13 Over \$26,000 not over \$32,000.....	1,162	33,264	851	24,298	10,470	427	10,043	311	8,966	3,772	184	3,588
14 Over \$32,000 not over \$38,000.....	769	26,585	490	16,999	7,912	279	7,633	279	9,586	4,300	225	4,075
15 Over \$38,000 not over \$44,000.....	513	20,948	289	11,726	5,808	156	5,652	224	9,222	4,361	180	4,181
16 Over \$44,000 not over \$50,000.....	417	19,590	137	6,486	3,405	152	3,253	280	13,104	6,404	166	6,238
17 Over \$50,000 not over \$60,000.....	450	24,626	127	6,971	3,866	227	3,639	323	17,655	8,917	243	8,674
18 Over \$60,000 not over \$70,000.....	295	19,063	83	5,383	3,158	149	3,009	212	13,680	7,112	244	6,868
19 Over \$70,000 not over \$80,000.....	220	16,329	47	3,456	2,116	89	2,027	173	12,873	6,633	128	6,505
20 Over \$80,000 not over \$90,000.....	164	13,904	46	3,937	2,527	134	2,393	118	9,967	5,268	74	5,194
21 Over \$90,000 not over \$100,000.....	109	10,227	16	1,409	925	31	894	93	8,818	4,660	63	4,597
22 Over \$100,000 not over \$150,000.....	272	33,180	51	6,314	4,514	189	4,325	221	26,866	14,276	194	14,082
23 Over \$150,000 not over \$200,000.....	122	21,404	12	2,043	1,550	62	1,488	110	19,361	10,531	134	10,397
24 Over \$200,000.....	265	156,850	15	3,884	3,035	111	2,924	250	152,966	81,437	785	80,652
25 Total taxable returns.....	172,185	901,626	168,599	577,122	173,587	9,211	164,376	3,586	324,504	165,721	3,152	162,569
26 Nontaxable returns.....	402	522	402	522	111	111	-	-	-	-	-	-
27 Grand total.....	172,587	902,148	169,001	577,644	173,698	9,322	164,376	3,586	324,504	165,721	3,152	162,569

See text for "Description of Sample and Limitations of Data" and "Explanation of Classifications and Terms."

FIDUCIARY INCOME TAX RETURNS FOR 1956

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Table 6.—TAXABLE RETURNS—TOTAL INCOME, TAXABLE INCOME, INCOME TAX, AVERAGE TAX, AND EFFECTIVE TAX RATE, BY TOTAL INCOME CLASSES AND TYPES OF TAX

Total income classes		Number of returns with income tax after credits	Total income (Thousand dollars)	Taxable income of fiduciary (Thousand dollars)	Income tax after credits (Thousand dollars)	Average income tax (Dollars)	Effective tax rate— income tax after credits as percent of taxable income	
		(1)	(2)	(3)	(4)	(5)	(6)	
ALL TAXABLE RETURNS								
1	Under \$600.....	14,570	5,074	2,375	420	29	17.7	1
2	\$600 under \$1,000.....	12,319	10,037	4,329	800	65	18.5	2
3	\$1,000 under \$1,500.....	13,375	16,869	7,857	1,413	106	18.0	3
4	\$1,500 under \$2,000.....	10,946	19,055	9,127	1,632	149	17.9	4
5	\$2,000 under \$2,500.....	9,481	21,314	10,732	1,926	203	17.9	5
6	\$2,500 under \$3,000.....	7,977	21,911	10,579	1,954	245	18.5	6
7	\$3,000 under \$3,500.....	7,172	23,264	10,964	2,034	284	18.6	7
8	\$3,500 under \$4,000.....	6,200	23,629	10,550	1,964	317	18.6	8
9	\$4,000 under \$4,500.....	5,516	23,885	10,739	2,041	370	19.0	9
10	\$4,500 under \$5,000.....	4,996	23,780	10,738	2,025	405	18.9	10
11	\$5,000 under \$6,000.....	8,416	46,197	20,809	4,052	481	19.5	11
12	\$6,000 under \$7,000.....	7,526	48,749	21,218	4,186	556	19.7	12
13	\$7,000 under \$8,000.....	5,961	44,682	20,070	4,131	693	20.6	13
14	\$8,000 under \$9,000.....	4,724	40,026	17,205	3,606	763	21.0	14
15	\$9,000 under \$10,000.....	4,706	44,640	19,108	4,108	873	21.5	15
16	\$10,000 under \$15,000.....	15,025	183,693	71,613	16,449	1,095	23.0	16
17	\$15,000 under \$20,000.....	9,074	157,458	60,515	15,576	1,717	25.7	17
18	\$20,000 under \$25,000.....	5,850	130,653	50,375	14,327	2,449	28.4	18
19	\$25,000 under \$50,000.....	10,583	364,930	123,493	41,269	3,900	33.4	19
20	\$50,000 under \$100,000.....	4,727	329,868	106,128	45,379	9,600	42.8	20
21	\$100,000 under \$150,000.....	1,307	158,671	48,698	23,772	18,188	48.8	21
22	\$150,000 under \$200,000.....	602	104,586	29,790	15,299	25,414	51.4	22
23	\$200,000 under \$500,000.....	821	250,302	76,247	40,776	49,666	53.5	23
24	\$500,000 under \$1,000,000.....	192	128,085	39,450	21,068	109,729	53.4	24
25	\$1,000,000 or more.....	119	322,259	108,917	56,738	476,790	52.1	25
26	Total.....	172,185	2,543,617	901,626	326,945	1,899	36.3	26
RETURNS WITH NORMAL TAX AND SURTAX								
27	Under \$600.....	14,570	5,074	2,375	420	29	17.7	27
28	\$600 under \$1,000.....	12,319	10,037	4,329	800	65	18.5	28
29	\$1,000 under \$1,500.....	13,375	16,869	7,857	1,413	106	18.0	29
30	\$1,500 under \$2,000.....	10,946	19,055	9,127	1,632	149	17.9	30
31	\$2,000 under \$2,500.....	9,481	21,314	10,732	1,926	203	17.9	31
32	\$2,500 under \$3,000.....	7,977	21,911	10,579	1,954	245	18.5	32
33	\$3,000 under \$3,500.....	7,172	23,264	10,964	2,034	284	18.6	33
34	\$3,500 under \$4,000.....	6,200	23,629	10,550	1,964	317	18.6	34
35	\$4,000 under \$4,500.....	5,516	23,885	10,739	2,041	370	19.0	35
36	\$4,500 under \$5,000.....	4,996	23,780	10,738	2,025	405	18.9	36
37	\$5,000 under \$6,000.....	8,416	46,197	20,809	4,052	481	19.5	37
38	\$6,000 under \$7,000.....	7,526	48,749	21,218	4,186	556	19.7	38
39	\$7,000 under \$8,000.....	5,961	44,682	20,070	4,131	693	20.6	39
40	\$8,000 under \$9,000.....	4,724	40,026	17,205	3,606	763	21.0	40
41	\$9,000 under \$10,000.....	4,706	44,640	19,108	4,108	873	21.5	41
42	\$10,000 under \$15,000.....	15,025	183,693	71,613	16,449	1,095	23.0	42
43	\$15,000 under \$20,000.....	9,010	156,108	59,331	15,188	1,685	25.6	43
44	\$20,000 under \$25,000.....	5,591	124,743	45,112	12,575	2,249	29.9	44
45	\$25,000 under \$50,000.....	9,713	333,711	100,608	32,579	3,354	32.4	45
46	\$50,000 under \$100,000.....	3,920	271,305	72,333	29,529	7,533	40.8	46
47	\$100,000 under \$150,000.....	840	100,365	21,927	10,487	12,484	47.8	47
48	\$150,000 under \$200,000.....	279	48,671	7,205	3,700	13,262	51.4	48
49	\$200,000 under \$500,000.....	276	82,832	10,257	6,127	22,199	59.7	49
50	\$500,000 under \$1,000,000.....	48	32,023	1,218	648	13,500	53.2	50
51	\$1,000,000 or more.....	12	39,049	1,118	802	66,833	71.7	51
52	Total.....	168,599	1,785,612	577,122	164,376	975	28.5	52
RETURNS WITH ALTERNATIVE TAX								
53	Under \$15,000.....	-	-	-	-	-	-	53
54	\$15,000 under \$20,000.....	64	1,350	1,184	388	6,061	32.8	54
55	\$20,000 under \$25,000.....	259	5,910	5,263	1,752	6,764	33.3	55
56	\$25,000 under \$50,000.....	870	31,219	22,885	8,690	9,989	38.0	56
57	\$50,000 under \$100,000.....	807	58,563	33,795	15,850	19,641	46.9	57
58	\$100,000 under \$150,000.....	467	58,306	26,771	13,285	28,448	49.6	58
59	\$150,000 under \$200,000.....	323	55,915	22,585	11,599	35,910	51.4	59
60	\$200,000 under \$500,000.....	545	167,470	65,990	34,649	63,576	52.5	60
61	\$500,000 under \$1,000,000.....	144	96,062	38,232	20,420	141,806	53.4	61
62	\$1,000,000 or more.....	107	283,210	107,799	55,936	522,766	51.9	62
63	Total.....	3,586	758,005	324,504	162,569	45,334	50.1	63
64	Returns under \$5,000.....	92,552	188,818	87,990	16,209	175	18.4	64
65	Returns \$5,000 or more.....	79,633	2,354,799	813,636	310,736	3,902	38.2	65

See text for "Description of Sample and Limitations of Data" and "Explanation of Classifications and Terms."

FIDUCIARY INCOME TAX RETURNS FOR 1956

Table 7.—SELECTED SOURCES OF INCOME, TOTAL INCOME, TAXABLE INCOME, AND INCOME TAX, BY STATES AND TERRITORIES

States and Territories		Number of returns, taxable and nontaxable	Dividends (before exclusions) (Thousand dollars)	Interest received (Thousand dollars)	Total income (Thousand dollars)	Taxable income of fiduciary (Thousand dollars)	Income tax after credits (Thousand dollars)	
		(1)	(2)	(3)	(4)	(5)	(6)	
1	Alabama.....	3,337	9,587	2,068	34,878	8,076	3,496	1
2	Arizona.....	1,721	2,531	1,533	11,447	2,662	885	2
3	Arkansas.....	1,476	3,838	736	20,547	4,904	2,019	3
4	California.....	39,101	113,556	24,462	366,735	77,719	27,787	4
5	Colorado.....	4,494	14,747	3,078	32,858	7,271	2,655	5
6	Connecticut.....	12,982	62,213	6,365	106,494	19,593	6,255	6
7	Delaware.....	3,655	90,991	1,530	107,356	17,949	9,386	7
8	District of Columbia.....	4,602	16,483	6,026	42,699	5,301	1,627	8
9	Florida.....	8,404	29,089	5,137	78,196	14,746	5,045	9
10	Georgia.....	6,061	16,065	2,887	46,699	7,788	2,402	10
11	Hawaii.....	1,499	7,487	547	18,621	1,634	577	11
12	Idaho.....	652	533	378	1,802	446	94	12
13	Illinois.....	36,836	176,669	27,050	436,374	80,186	28,492	13
14	Indiana.....	7,560	32,859	4,768	62,859	12,752	4,175	14
15	Iowa.....	7,936	9,880	3,499	36,298	6,284	1,728	15
16	Kansas.....	4,592	4,054	1,959	23,826	5,041	1,467	16
17	Kentucky.....	5,366	13,542	2,505	34,545	5,164	1,486	17
18	Louisiana.....	1,794	2,824	505	14,177	4,121	1,248	18
19	Maine.....	2,427	5,678	1,503	12,322	2,578	740	19
20	Maryland.....	9,249	34,874	6,707	65,052	9,224	3,092	20
21	Massachusetts.....	32,922	180,033	22,705	354,599	60,910	21,140	21
22	Michigan.....	11,424	61,946	6,158	123,867	26,166	10,173	22
23	Minnesota.....	8,832	39,423	5,962	77,991	16,163	5,313	23
24	Mississippi.....	1,218	1,178	891	8,866	1,857	463	24
25	Missouri.....	12,788	56,719	7,498	103,985	16,762	4,719	25
26	Montana.....	1,003	772	332	7,418	1,223	349	26
27	Nebraska.....	3,109	4,833	1,033	15,884	3,490	997	27
28	Nevada.....	473	2,471	208	5,091	2,085	919	28
29	New Hampshire.....	1,846	4,440	795	9,692	2,342	671	29
30	New Jersey.....	16,890	88,848	12,109	180,875	43,467	17,260	30
31	New Mexico.....	821	853	172	4,956	1,587	459	31
32	New York.....	83,646	517,469	93,452	1,109,527	199,857	76,632	32
33	North Carolina.....	6,389	22,224	3,668	51,931	9,960	3,226	33
34	North Dakota.....	1,148	440	342	3,516	583	116	34
35	Ohio.....	23,347	124,944	13,972	223,420	40,556	13,960	35
36	Oklahoma.....	4,034	5,380	2,174	33,247	8,108	2,607	36
37	Oregon.....	4,828	7,381	2,103	37,045	9,643	3,911	37
38	Pennsylvania.....	50,489	259,696	32,422	464,048	63,518	23,456	38
39	Rhode Island.....	4,202	24,007	4,577	39,292	6,646	2,234	39
40	South Carolina.....	2,344	5,378	1,766	16,843	3,029	906	40
41	South Dakota.....	1,208	371	400	3,608	405	83	41
42	Tennessee.....	4,764	14,408	2,172	35,314	5,020	1,471	42
43	Texas.....	17,794	39,197	10,057	232,311	47,358	18,537	43
44	Utah.....	1,420	2,814	981	9,307	2,718	1,078	44
45	Vermont.....	1,381	3,145	598	6,188	1,188	362	45
46	Virginia.....	7,609	20,536	4,525	50,230	9,103	3,037	46
47	Washington ¹	5,675	15,032	3,580	46,328	7,216	2,218	47
48	West Virginia.....	3,144	9,349	1,366	19,300	3,323	1,112	48
49	Wisconsin.....	11,531	33,969	6,071	64,750	13,618	4,561	49
50	Wyoming.....	480	678	235	2,914	901	292	50
51	Total.....	490,503	2,195,440	345,567	4,896,128	902,241	326,918	51

See text for "Description of Sample and Limitations of Data" and "Explanation of Classifications and Terms."

¹Includes Alaska.

HISTORICAL TABLES
FIDUCIARY RETURNS. 1947-1956

	Page
8. Taxable returns—Number of returns, total income, and tax, by total income classes.....	24
9. Taxable returns—Sources of income and deductions by type.....	25

FIDUCIARY INCOME TAX RETURNS, 1947-1956

Table 8.—TAXABLE RETURNS—NUMBER OF RETURNS, TOTAL INCOME, AND TAX, BY TOTAL INCOME CLASSES, 1947-1956

Total income classes	1956	1954	1952	1951	1950	1949	1948	1947
NUMBER OF RETURNS								
Under \$500.....	-	-	-	-	-	-	6,879	7,074
\$500 under \$1,000.....	-	-	-	-	-	-	12,441	15,978
Under \$600.....	14,570	9,496	10,653	8,659	8,530	8,657	-	-
\$600 under \$1,000.....	12,319	8,386	13,588	11,493	11,574	11,020	-	-
\$1,000 under \$1,500.....	13,375	10,006	13,024	11,715	11,556	10,753	10,682	11,836
\$1,500 under \$2,000.....	10,946	8,999	10,472	8,899	8,925	8,053	8,461	9,261
\$2,000 under \$2,500.....	9,481	7,112	8,548	7,505	7,283	6,660	6,674	7,256
\$2,500 under \$3,000.....	7,977	5,931	7,411	6,019	6,192	5,437	5,419	5,924
\$3,000 under \$4,000.....	13,372	9,833	10,879	9,524	9,437	8,088	8,385	9,038
\$4,000 under \$5,000.....	10,512	7,929	8,289	7,147	7,000	5,871	6,135	6,494
\$5,000 under \$10,000.....	31,333	23,684	22,310	19,555	18,996	15,537	15,887	16,725
\$10,000 under \$15,000.....	15,025	11,426	9,694	8,556	8,584	6,533	6,753	7,044
\$15,000 under \$20,000.....	9,074	6,809	4,936	4,746	4,589	3,681	3,756	3,704
\$20,000 under \$25,000.....	5,850	12,688	9,307	8,728	8,678	6,580	6,866	6,955
\$25,000 under \$50,000.....	10,583							
\$50,000 under \$100,000.....	4,727	3,326	2,521	2,354	2,537	1,735	1,923	1,762
\$100,000 under \$150,000.....	1,307	945	892	670	633	473	495	440
\$150,000 under \$200,000.....	602	409						
\$200,000 under \$500,000.....	821	570	299	309	368	243	277	241
\$500,000 under \$1,000,000.....	192	153	65	61	69	48	50	56
\$1,000,000 or more.....	119	77	39	27	31	25	28	21
Total.....	172,185	127,779	132,927	116,210	115,252	99,577	101,283	109,997
TOTAL INCOME								
	(Thousand dollars)							
Under \$500.....	-	-	-	-	-	-	1,973	2,024
\$500 under \$1,000.....	-	-	-	-	-	-	9,536	11,887
Under \$600.....	5,074	3,270	3,508	2,888	2,816	2,906	-	-
\$600 under \$1,000.....	10,037	6,664	10,752	9,125	9,224	8,769	-	-
\$1,000 under \$1,500.....	16,869	12,352	16,186	14,495	14,309	13,267	13,185	14,636
\$1,500 under \$2,000.....	19,055	15,656	18,131	15,489	15,513	13,984	14,708	16,083
\$2,000 under \$2,500.....	21,314	15,884	19,130	16,789	16,301	14,866	14,933	16,244
\$2,500 under \$3,000.....	21,911	16,221	20,271	16,501	16,960	14,950	14,855	16,285
\$3,000 under \$4,000.....	46,893	34,139	37,918	33,035	32,748	28,024	29,047	31,312
\$4,000 under \$5,000.....	47,665	35,592	37,020	31,976	31,340	26,322	27,479	29,008
\$5,000 under \$10,000.....	224,294	167,828	157,916	138,983	134,843	110,021	112,485	118,570
\$10,000 under \$15,000.....	183,693	140,212	118,141	104,522	104,632	79,558	82,301	86,122
\$15,000 under \$20,000.....	157,458	117,942	84,936	82,055	79,346	63,514	64,751	64,053
\$20,000 under \$25,000.....	130,653	380,303	280,785	264,583	263,992	198,389	208,989	210,211
\$25,000 under \$50,000.....	364,930							
\$50,000 under \$100,000.....	329,868	229,206	173,197	160,424	173,932	118,323	130,853	119,054
\$100,000 under \$150,000.....	158,671	113,704	119,161	81,673	76,821	57,421	59,690	52,875
\$150,000 under \$200,000.....	104,586	70,104						
\$200,000 under \$500,000.....	250,302	170,097	85,896	90,108	106,384	69,932	79,411	70,060
\$500,000 under \$1,000,000.....	128,085	100,814	44,089	42,796	48,946	33,175	34,995	38,921
\$1,000,000 or more.....	322,259	238,934	80,684	54,804	59,406	41,864	57,975	43,778
Total.....	2,543,617	1,868,922	1,307,721	1,202,376	1,233,957	926,824	986,806	973,583
INCOME TAX AFTER CREDITS								
Under \$500.....	-	-	-	-	-	-	175	201
\$500 under \$1,000.....	-	-	-	-	-	-	648	921
Under \$600.....	420	310	433	331	271	274	-	-
\$600 under \$1,000.....	800	551	976	736	621	570	-	-
\$1,000 under \$1,500.....	1,413	1,133	1,786	1,466	1,228	1,110	1,091	1,440
\$1,500 under \$2,000.....	1,632	1,491	2,157	1,696	1,452	1,278	1,345	1,683
\$2,000 under \$2,500.....	1,926	1,502	2,303	1,877	1,552	1,398	1,426	1,754
\$2,500 under \$3,000.....	1,954	1,538	2,449	1,864	1,660	1,409	1,452	1,748
\$3,000 under \$4,000.....	3,998	3,223	4,951	3,798	3,244	2,737	2,870	3,383
\$4,000 under \$5,000.....	4,066	3,281	4,534	3,698	3,141	2,636	2,788	3,209
\$5,000 under \$10,000.....	20,083	15,504	20,675	17,280	14,232	11,798	12,714	14,175
\$10,000 under \$15,000.....	16,449	13,702	16,413	14,265	12,701	9,402	10,451	11,397
\$15,000 under \$20,000.....	15,576	12,223	13,392	12,299	10,580	8,332	8,859	9,442
\$20,000 under \$25,000.....	14,327	45,311	52,062	47,587	44,166	32,147	37,443	39,330
\$25,000 under \$50,000.....	41,269							
\$50,000 under \$100,000.....	45,379	34,999	37,893	33,888	36,501	22,220	27,651	27,785
\$100,000 under \$150,000.....	23,772	19,651	27,682	20,137	17,815	12,398	14,803	13,047
\$150,000 under \$200,000.....	15,299	12,123						
\$200,000 under \$500,000.....	40,776	32,130	20,077	21,856	25,496	15,382	17,979	18,078
\$500,000 under \$1,000,000.....	21,068	20,408	10,757	10,390	12,822	7,709	7,565	9,795
\$1,000,000 or more.....	56,738	44,813	16,393	6,960	10,152	5,658	20,552	8,507
Total.....	326,945	263,893	234,933	210,765	208,756	144,030	176,309	173,071

FIDUCIARY INCOME TAX RETURNS, 1947-1956

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Table 9.—TAXABLE RETURNS—SOURCES OF INCOME AND DEDUCTIONS BY TYPE, 1947-1956

Income and deductions	1956	1954	1952	1951	1950	1949	1948	1947
	(Thousand dollars)							
Source of income or loss:								
Income:								
Business.....	120,899	67,067	37,073	41,725	43,019	33,969	45,506	51,017
Partnership and fiduciary.....	97,845	71,325	83,366	70,449	67,543	57,264	63,557	67,686
Sales of capital assets.....	912,082	664,818	221,674	212,407	213,237	108,968	144,583	146,535
Sales of property other than capital assets.....	15,437	1,478	1,912	1,886	3,045	1,372	1,741	2,118
Rents and royalties.....	270,270	199,456	130,487	109,041	105,891	102,559	117,635	102,628
Dividends.....	970,871	744,175	723,436	665,377	693,180	529,760	518,021	497,187
Interest received.....	127,690	105,497	102,481	91,524	95,895	84,264	84,703	94,733
Other sources.....	39,623	21,846	20,098	18,465	21,636	16,745	19,300	19,993
Total.....	2,554,717	1,875,662	1,320,527	1,210,874	1,243,446	934,901	995,046	981,897
Loss:								
Business.....	1,928	1,688	4,716	2,540	2,942	1,832	1,886	1,508
Partnership and fiduciary.....	3,636	1,602	1,371	966	1,705	715	632	562
Sales of capital assets.....	4,014	2,486	3,431	2,392	2,433	3,457	3,658	3,632
Sales of property other than capital assets.....	1,522	613	946	686	824	625	587	901
Rents and royalties.....	-	351	2,348	1,911	1,592	1,448	1,477	1,710
Total.....	11,100	6,740	12,812	8,495	9,496	8,077	8,240	8,313
Total income.....	2,543,617	1,868,922	1,307,721	1,202,376	1,233,957	926,824	986,806	973,583
Deductions:								
Interest paid.....	19,931	13,411	12,176	10,683	12,142	9,119	10,403	9,687
Taxes paid or accrued.....	78,349	49,405	30,595	27,982	24,501	23,050	21,492	22,547
Depreciation.....	55,595	34,159	-	-	-	-	-	-
Dividend exclusion.....	3,809	3,348	-	-	-	-	-	-
Charitable contributions.....	11,038	7,117	567,276	511,353	522,580	384,923	377,021	384,096
Distributions to beneficiaries.....	752,547	579,353						
Long-term capital gain.....	443,077	316,521	-	-	-	-	-	-
Exemptions.....	51,644	37,825	(¹)	(¹)	(¹)	(¹)	(¹)	(¹)
Other deductions.....	226,001	130,741	70,921	61,516	59,115	46,958	47,530	48,009
Total.....	1,641,991	1,171,918	680,968	611,534	618,338	464,050	456,446	464,339
Taxable income.....	901,626	696,999	-	-	-	-	-	-
Net income taxable to fiduciary ²	-	-	626,760	590,847	615,614	462,775	530,360	509,244
Exemptions.....	-	-	36,122	32,821	33,075	29,718	30,799	29,399

¹Exemption was allowed as a credit against net income taxable to fiduciary. See last item.²Net income before exemption.

***Synopsis of Fiduciary
Income Tax Law***

FIDUCIARY INCOME TAX LAW TABLES

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A. Requirement for filing return and exemption under the fiduciary income tax law, 1947-56.....	29
B. Minimum and maximum income tax rates under fiduciary income tax law, 1947-56.....	29

Table A.—REQUIREMENT FOR FILING RETURN AND EXEMPTION UNDER THE FIDUCIARY INCOME TAX LAW, 1947-56¹

Federal income tax law (date of enactment)	Income year	Requirement for filing return ²			Exemption ³		
		Estates, gross income ⁴	Trusts		Estates	Trusts	
			Gross income ⁴	Taxable or net income ⁵		Simple	Complex
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
Internal Revenue Code of 1954 (Aug. 16, 1954).....	1954-56.....	600	600	(⁶)	600	300	100
Internal Revenue Code of 1939 amended by—							
Revenue Act of 1951 (Oct. 20, 1951).....	1948-53.....	600	600	100	600	100	100
Revenue Act of 1950 (Sept. 23, 1950).....							
Revenue Act of 1948 (Apr. 2, 1948).....							
Revenue Act of 1945 (Nov. 8, 1945).....	1947.....	500	500	100	500	100	

¹This table relates only to fiduciaries within the United States. Fiduciary returns are filed for the income of estates under administration and for the income from property held in trust. For income years prior to 1947, see *Statistics of Income for 1950, Part 1*, pages 308-309.

²In addition to the income requirements stated, every fiduciary, or one of joint fiduciaries, must file a return, Form 1041, regardless of the amount of gross or net income, for every estate or trust for which he acts if any beneficiary is a nonresident alien.

³An exemption was allowed as a credit against net income for both normal tax and surtax prior to 1954. Under the 1954 Code,

an exemption is allowed as a deduction in computing taxable income of the fiduciary.

⁴Gross income includes all gains, profits, and income except that which is specifically exempt from income tax.

⁵Net income, or taxable income under the 1954 Code, is the amount of income remaining in the hands of the fiduciary after allowable deductions and distributions to beneficiaries.

⁶A return is required for the income of a trust if there is any amount of taxable income.

Table B.—MINIMUM AND MAXIMUM INCOME TAX RATES UNDER FIDUCIARY INCOME TAX LAW, 1947-56¹

Federal income tax law (date of enactment)	Income year ²	Tax rate ³					Maximum rate limita- tion ⁵
		Normal tax rate ³	Surtax rate ⁴ for—		Combined normal tax and surtax rates at—		
			Lowest bracket of surtax income, not over \$2,000	Highest bracket of surtax income, over \$200,000	Lowest bracket of surtax income	Highest bracket of surtax income	
		Percent	Percent	Percent	Percent	Percent	Percent
Internal Revenue Code of 1954 (Aug. 16, 1954).	Calendar year 1954-56.....	-	-	-	20.0	91.0	87.0
Internal Revenue Code of 1939 amended by—							
Revenue Act of 1951 (Oct. 20, 1951).....	Calendar years 1952-1953....	3.0	19.2	89.0	22.2	92.0	88.0
	Fiscal years beginning after Oct. 31, 1951 and ending before Jan. 1, 1954.						
	Calendar year 1951.....						
Revenue Act of 1950 (Sept. 23, 1950)....	Fiscal years beginning after Sept. 30, 1950 and ending before Nov. 1, 1951.	3.0	17.4	88.0	20.4	91.0	87.2
	Calendar year 1950.....	3.0	17.0	88.0	20.0	91.0	87.0
	Fiscal years ending after Dec. 31, 1949 and before Oct. 1, 1950.	3.0	17.0	88.0	17.4	84.4	80.0
Revenue Act of 1948 (Apr. 2, 1948).....	Calendar years 1948-1949....	3.0	17.0	88.0	16.6	82.1	77.0
Revenue Act of 1945 (Nov. 8, 1945).....	Calendar year 1947.....	3.0	17.0	88.0	19.0	86.5	85.5

¹This table relates only to rates for fiduciaries within the United States. Fiduciary returns are filed for the income of estates under administration and for the income from property held in trust. For tax rates prior to 1947, see *Statistics of Income for 1950, Part 1*, pages 308-309 and 318-321.

²In case of a change in tax rates during a fiscal year other than those listed, the total tax was prorated.

³The normal tax rate applied to normal tax net income which is net income less the credit for partially tax-exempt interest and the exemption allowed for normal tax.

⁴Surtax rates applied to surtax net income which was net income less the exemptions allowed for surtax.

⁵The combined normal tax and surtax shall not exceed the indicated percent of net income for 1947-53, or taxable income for 1954-56.

***Facsimile of Fiduciary
Income Tax Return,
1956***

RETURN FORM

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Form 1041: Fiduciary Income Tax Return.....	33
Schedule J, Allocation of Accumulation Distribution..	45

FORM 1041 U. S. Treasury Department Internal Revenue Service	U. S. FIDUCIARY INCOME TAX RETURN (FOR ESTATES AND TRUSTS) FOR CALENDAR YEAR	1956 Do not write in space below
or other taxable year beginning....., 1956 and ending....., 195		
PLEASE TYPE OR PRINT PLAINLY		
Name of Estate or Trust. Check Whether Estate <input type="checkbox"/> Simple Trust <input type="checkbox"/> Complex Trust <input type="checkbox"/>		
Name, Address, and Title of Fiduciary		

Simple trusts are not required to fill in the schedules on page 4. They need complete only the lines and schedules on pages 1, 2, and 3 that apply to them. See page 2 of instructions.

Line and Instruction No.	INCOME
1. Dividends (Enter full amount before exclusion)	\$.....
2. Interest on bank deposits, notes, corporation bonds, etc.....
3. Interest on tax-free covenant bonds upon which a Federal income tax was paid at source.....
4. Interest on Government obligations, etc.....
5. Income from partnerships and other fiduciaries (See Instruction 5).....
Name and address.....	
6. Gross rents and royalties.....
7. Gross profit (or loss) from trade or business.....
8. (a) Net gain (or loss) from sale or exchange of property other than capital assets (from line 2, Schedule D).....
(b) Net gain (or loss) from sale or exchange of capital assets (from line 12, Schedule D).....
9. Other income (State nature of income)
10. Total income (lines 1 to 9, inclusive).....	\$.....
DEDUCTIONS	
11. Interest (Explain in Schedule A).....	\$.....
12. Taxes (Explain in Schedule A).....
13. Fiduciary's portion of depreciation (Schedule B) or depletion. Explain depletion.....
14. Charitable deduction (line 9, Schedule F).....
15. Other deductions authorized by law (Explain in Schedule A).....
16. Total (line 11 to line 15, inclusive).....
17. Line 10 minus line 16. (Complex trusts and estates enter this amount on line 1 in Schedule G, also)	\$.....
18. Deduction for distributions to beneficiaries.....	\$.....
19. Adjustment of dividend exclusion (not to exceed \$50) (See Instruction 19).....
20. Long-term capital gain deduction. Enter 50% of line 13 (e), Schedule D.....
21. Exemption (\$600 for an estate; trusts see instructions).....
22. Total (lines 18 to 21, inclusive)
23. Taxable income of fiduciary (line 17 minus line 22).....	\$.....

COMPUTATION OF TAX

24. Tax on amount on line 23 (See Tax Rate Schedule in Instruction 24).....	\$.....
25. If alternative tax is applicable, enter the tax from line 19, Schedule D.....	\$.....
26. Fiduciary's share of foreign tax credit (Attach Form 1116).....	\$.....
27. Fiduciary's share of credit for tax paid at source on tax-free covenant bond interest.....	.....
28. Fiduciary's share of dividends received credit (line 7, Schedule E).....	.....
29. Fiduciary's share of credit for partially tax-exempt interest.....	.....
30. Total of lines 26 to 29, inclusive.....	.....
31. Balance of tax (subtract line 30 from line 24 or line 25, whichever is applicable).....	\$.....

SIGNATURE AND VERIFICATION (See General Instruction E)

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and, to the best of my knowledge and belief, is a true, correct, and complete return.

I declare under the penalties of perjury that I prepared this return for the fiduciary named herein and that this return (including any accompanying schedules and statements) is, to the best of my knowledge and belief, a true, correct, and complete return based on all the information relating to the matters required to be reported in this return of which I have any knowledge.

(Individual or firm signature)

(Address)

(Date)

Simple trusts not having entries on this page may tear off pages 3 and 4 and file only pages 1 and 2

Schedule D.—GAINS AND LOSSES FROM SALES OR EXCHANGES OF PROPERTY (See Instruction 35)

(I) PROPERTY OTHER THAN CAPITAL ASSETS

a. Kind of property (if necessary, attach statement of descriptive details not shown below)	b. Date acquired Mo. Day Yr.	c. Date sold Mo. Day Yr.	d. Gross sales price (contract price)	e. Depreciation allowed (or allowable) since acquisition or March 1, 1913 (attach schedule)	f. Cost or other basis and cost of subsequent improvements (if not purchased, attach explanation)	g. Expense of sale	h. Gain or loss (column d plus column e less sum of columns f and g)
1.							
2. Net gain (or loss). Enter here and on line 8 (a), page 1							

(II) CAPITAL ASSETS

Short-Term Capital Gains and Losses—Assets Held Not More Than 6 Months

3.							
4. Enter your share of net short-term gain (or loss) from partnerships and other fiduciaries							
5. Enter unused capital loss carryover from 5 preceding taxable years (Attach statement)							
6. Net short-term gain (or loss) from lines 3, 4, and 5. Enter here and on line 10 below							

Long-Term Capital Gains and Losses—Assets Held More Than 6 Months

7.							
8. Enter the full amount of your share of net long-term gain (or loss) from partnerships and other fiduciaries							
9. Net long-term gain (or loss) from lines 7 and 8. Enter here and on line 11 below							

CAPITAL GAINS AND LOSSES

	1. Beneficiaries	2. Fiduciary	3. Total
10. Net short-term gain or loss from line 6, above			
11. Net long-term gain or loss from line 9, above			
12. Total net gain or loss			

Enter on line 8 (b), page 1, the net gain shown on line 12, column 3, above. If net loss on line 12, column 3, above, enter as loss on line 8 (b), page 1, whichever of the following is the smallest amount: (i) the amount of the loss, (ii) taxable income computed without regard to capital gains and losses and the deduction for personal exemption, or (iii) \$1,000.

COMPUTATION OF FIDUCIARY'S CAPITAL GAINS DEDUCTION

13. (a) Long-term capital gain shown on line 11, column 3, above	
(b) Short-term capital loss shown on line 10, column 3, above	
(c) Excess of line 13 (a) over line 13 (b), above	
(d) Long-term capital gains taxable to beneficiaries. (Total of column 9, Schedule C)	
(e) Balance (line 13 (c) minus line 13 (d)). (Enter 50% of this amount on line 20, page 1)	

COMPUTATION OF ALTERNATIVE TAX

Use only if fiduciary had a net long-term capital gain or an excess of net long-term capital gain over net short-term capital loss shown in column 2, line 12, above, and line 23, page 1 exceeds \$18,000

14. Income from line 23, page 1	
15. 50% of amount on line 13 (e), above	
16. Balance (line 14 minus line 15)	
17. Tax on amount on line 16 (See Tax Rate Schedule in Instruction 24)	
18. 50% of amount on line 15, above	
19. Alternative tax (line 17 plus line 18); if less than line 24, page 1, enter this amount on line 25, page 1	

Schedule E.—FIDUCIARY'S SHARE OF DIVIDEND CREDIT (See Instruction 36)

1. Total domestic corporation dividends qualifying under section 34, before dividend exclusion	
2. Beneficiaries' share of dividends from column 5, Schedule C	
3. Adjustment of dividend exclusion for 1956	
4. Total (line 2 plus line 3)	
5. Fiduciary's share of dividends subject to credit (line 1 minus line 4)	
6. Enter: (a) 4% of line 5	
(b) Tax shown on line 24 or 25, page 1, less amount on line 26, page 1	
(c) 4% of line 23, page 1, or if alternative tax is applicable, 4% of line 16, Schedule D	
7. Enter here and on line 28, page 1, the smallest of the amounts on lines 6 (a), 6 (b) and 6 (c) above	

Schedule F.—COMPUTATION OF CHARITABLE DEDUCTION (See Instruction 37)
(Submit statement giving name and address of charitable organization)

1. Amounts paid or permanently set aside for charitable purposes from current year's income.....		
2. Tax-exempt interest and foreign income of a foreign trust allocable to charitable distribution. (Complete lines 3 and 4 below only if gain on line 11, column 2, Schedule D, exceeds loss on line 10, column 2, Schedule D)		
3. (a) Long-term capital gain included on line 1.....		
(Do not complete lines (b) and (c) if such amounts are greater than line (a))		
(b) Enter gain on line 11, column 2, Schedule D, minus loss on line 10, column 2, Schedule D.....		
(c) Enter gain on line 11, column 3, Schedule D, minus loss on line 10, column 3, Schedule D.....		
4. Enter 50% of line 3 (a), line 3 (b), or line 3 (c), whichever is smallest.....		
5. Enter sum of line 2 and line 4.....		
6. Balance (line 1 minus line 5).....		
7. Enter short-term capital gains and 50% of the long-term capital gains of the current taxable year allocable to corpus, paid or permanently set aside for charitable purposes.....		
8. Amounts paid or permanently set aside for charitable purposes other than from income of the current year.....		
9. Total (line 6 plus lines 7 and 8). Enter here and on line 14, page 1.....		

Schedule G.—COMPUTATION OF DISTRIBUTABLE NET INCOME (See Instruction 38)

1. Enter amount from line 17, page 1.....	
2. Add: (a) Tax-exempt interest (as adjusted).....	
(b) Foreign income of a foreign trust (as adjusted).....	
(c) Net gain shown on line 12, column 1, Schedule D. If net loss, enter zero.....	
(d) Lines 4 and 7, Schedule F.....	
(e) Short-term capital gain included on line 1, Schedule F.....	
(f) If amount on line 8 (b), page 1, is a loss, enter amount here.....	
3. Total (line 1 through line 2 (f)).....	
4. If amount on line 8 (b), page 1, is a gain, enter amount here.....	
5. Distributable net income (line 3 minus line 4).....	

Schedule H.—COMPUTATION OF DISTRIBUTIONS DEDUCTION (See Instruction 39)

1. Total of columns 3 and 4 of Schedule C.....	
2. Enter the total of column 10, Schedule C.....	
3. Balance (line 1 minus line 2).....	
4. Enter distributable net income (line 5, Schedule G).....	
5. Enter the total of lines 2 (a) and 2 (b) of Schedule G.....	
6. Balance (line 4 minus line 5).....	
7. Distributions deduction. (Enter here and on line 18, page 1, the lesser of line 3 or line 6 above).....	

During the taxable year did you make an accumulation distribution as defined in Sec. 665(b)? See General Instruction O.

☐ Yes ☐ No. If "Yes," attach Schedule J (Form 1041).

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Instructions For Form 1041

U.S. FIDUCIARY INCOME TAX RETURN

GENERAL INSTRUCTIONS

(References are to the Internal Revenue Code of 1954, unless otherwise noted)

A. Who must use Form 1041.—Every fiduciary (except a receiver appointed by authority of law in possession of only a part of the property of an individual), or at least one of joint fiduciaries, must make an income tax return on Form 1041 for:

(1) Every estate for which he acts, if (a) the gross income of such estate for the taxable year is \$600 or over, or (b) any beneficiary is a nonresident alien;

(2) Every trust for which he acts, if (a) the trust has any taxable income for the taxable year, or (b) the gross income is \$600 or over, regardless of the amount of taxable income, or (c) any beneficiary is a nonresident alien.

B. Other returns to be filed by fiduciaries.—(1) *Returns for decedents.*—An executor or administrator must make a return on Form 1040 or Form 1040A for the last taxable year of the decedent, if the gross income of the decedent to the date of his death was \$600 or more (\$1,200 or more if the decedent was over 65 years of age). *Note:* Expenses for medical care of the decedent, paid out of his estate within one year from the date of his death, shall be treated as paid by the decedent at the time the expenses were incurred, for purposes of determining the decedent's income tax liability. Such a deduction is not permitted if the amount so paid is allowable in computing the net estate of the decedent for estate tax purposes under section 2053, unless the statement and waiver referred to in specific instruction 15 are filed.

(2) *Returns for nonresident alien beneficiaries.*—A citizen or resident fiduciary who pays, credits, or is required to distribute any amount taxable to a beneficiary who is a nonresident alien shall make a return, and pay the tax due, on the form indicated below:

United States Business.—Form 1040B for a nonresident alien engaged in trade or business within the United States at any time within the taxable year.

No United States business.—Form 1040NB if (a) such beneficiary has, for the taxable year, not more than \$15,400 gross income described in section 871 (a), and if (b) the entire amount of the tax on such income has not been withheld at the source. Form 1040NB-a for any such beneficiary who has, for the taxable year, more than \$15,400 gross income described in section 871 (b).

If the nonresident alien beneficiary appoints a person in the United States to act as his agent for the purpose of filing income tax returns, the fiduciary shall be relieved from the necessity of filing Form 1040B, Form 1040NB, or Form 1040NB-a, as the case may be. In such case the fiduciary shall attach to his Form 1041 (see A, above) a copy of the notice of appointment of such agent.

A fiduciary is also required to file Form 1042 in connection with income tax to be paid at source on certain payments to nonresident aliens, etc. See instructions on such form.

(3) *Returns for other persons.*—A fiduciary, including the guardian of a minor and the guardian or committee of an insane person, who has charge of the income of an individual (except a receiver appointed by authority of law in possession of only a part of the property of an individual), must make a return of income on Form 1040 or Form 1040A if a return is required for such individual.

C. Period to be covered by return.—Returns shall be filed for the calendar year 1956 or other taxable years beginning in 1956. For the procedure to follow in changing an established accounting period, see the District Director of Internal Revenue.

D. When and where Form 1041 must be filed.—Returns must be filed, on or before the 15th day of the 4th month following the close of the taxable year of the estate or trust, with the District Director of Internal Revenue for the district in which the fiduciary resides or has his principal place of business. If the fiduciary has no legal residence or place of business in the

United States, the return should be filed with the District Director of Internal Revenue, Baltimore 2, Md.

E. Signature and verification.—The return must be signed by the individual fiduciary, or by the authorized officer of the organization receiving or having custody or control and management of the income of the estate or trust.

The statement at the bottom of page 1 of the Form 1041 is required to be signed by any person or in the name of any firm or corporation preparing the fiduciary's return.

F. When and to whom the tax must be paid.—The tax of a trust must be paid in full when the return is filed. The tax of an estate must be paid in full when the return is filed or in four equal installments on or before the 15th day of the 4th, 7th, 10th, and 13th months following the close of the taxable year. If any installment is not paid on or before the date fixed for payment, the whole amount of tax unpaid shall be paid upon notice and demand by the district director.

The tax may be paid in cash or by check or money order drawn to the order of Internal Revenue Service.

G. Penalties.—Severe penalties are provided by law for failure to file a required return, for filing late, and for filing a false or fraudulent return.

H. Copy of governing instrument and fiduciary's declaration.—If the gross income of the estate or trust is \$5,000 or over, a copy of the will or trust instrument, sworn to by the fiduciary as a true and complete copy, must be filed with the return of the estate or trust.

The fiduciary shall attach to the return a statement expressing his opinion (indicating the relevant provisions of the governing instrument upon which he relies) as to the extent to which the income of the estate or trust is taxable to the estate or trust, to the beneficiaries, or to the grantor or a person other than the grantor. In making such determination, the fiduciary shall give particular attention to sections 671 through 678 which relate (a) to taxation of the income of a trust to the grantor because of his retention or possession of (i) a reversionary interest, (ii) a power to revoke or to control beneficial enjoyment, (iii) administrative powers, or (iv) the right to income, and (b) to taxation of the income of a trust to a person other than the grantor because of the possession of such power over the trust as would constitute such a person the substantial owner of all or a portion of the trust.

If a copy of the governing instrument and a statement of the fiduciary have once been filed with a return, they need not again be filed, provided subsequent returns contain a statement showing when and where such documents were filed. However, if the instrument is amended in any way after a copy has been filed, a copy of the amendment must be filed with the return for the taxable year in which the amendment is made. A statement must also be filed by the fiduciary indicating the effect, if any, in his opinion, of such amendment on the extent to which the income of the trust is taxable to the trust, the beneficiaries, or to the grantor or a person other than the grantor.

I. Accounting methods.—Taxable income shall be computed in accordance with the method of accounting used in computing income as reflected by books and records. In all cases the method adopted should clearly reflect taxable income. The basic methods of accounting are the "cash receipts and disbursements method" and the "accrual method," but section 446 permits the use of other methods in accordance with regulations. If a taxpayer is engaged in more than one trade or business, it is permissible to use a different method of accounting for each. In most cases, consent of the Commissioner must be obtained before changing the method of accounting used in computing taxable income. For information, consult regulations or the District Director of Internal Revenue.

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Rounding off to whole-dollar amounts.—If you wish, the money items on your return and accompanying schedules required by such return may be shown as whole-dollar amounts. This means that you eliminate any amount less than 50 cents, and increase any amount from 50 cents through 99 cents to the next higher dollar. Your choice as to whether or not you round off to whole-dollar amounts may not be changed after the due date for filing your return.

J. Income in respect of decedents.—Section 691 provides for the inclusion, when received, in gross income of an estate or trust, of amounts of gross income which, although attributable to the decedent, were not properly includible in his return for any period up to the date of his death. This includes income from installment obligations. The same section allows deductions for business expenses, interest, taxes, depletion, etc., and foreign tax credits to the estate or other person receiving the property to which the deduction or credit pertains.

K. Items exempt from tax.—Certain items of income are exempt from tax. Some of these are as follows:

(1) **Interest on governmental obligations:**

(a) **Entirely exempt.**—The interest on (1) obligations of a State, Territory, or a possession of the United States, or any political subdivision of the foregoing, or of the District of Columbia; (2) obligations of the United States issued on or before September 1, 1917; (3) all postal savings bonds; (4) any aggregate not exceeding \$5,000 principal amount of Treasury bonds issued prior to March 1, 1941.

(b) **Partially exempt.**—On certain United States securities issued prior to March 1, 1941, the interest was exempt from the normal tax by the acts authorizing their issuance. A tax credit in an equivalent amount is now allowed. See specific instruction 29.

(2) **Proceeds of insurance policies.**—In general, a lump sum payable at the death of the insured under a life insurance policy is excludable from the gross income of the recipient. When, however, the beneficiary of a life insurance contract leaves a sum on deposit with the insurer, and receives interest on it, the interest is includible in its entirety in such beneficiary's gross income. However, see sections 72 and 101 relative to exclusions from income when a beneficiary receives, through an option or otherwise, installment payments after the death of the insured.

(3) **Miscellaneous items wholly exempt from tax:**

(a) Gifts (not received as consideration for service rendered) and money or property acquired by bequest, devise, or inheritance (but the income derived therefrom is taxable);

(b) Income, other than rent, derived by a lessor of real property upon the termination of a lease, representing the value of such property attributable to buildings erected or other improvements made by the lessee;

(c) Income attributable to the recovery during the taxable year of a bad debt, prior tax, or delinquency amount, to the extent that such bad debt, tax, or delinquency amount did not operate to reduce the income tax liability of the taxpayer for any prior year with respect to such debt, tax, or amount; and

(d) Certain death benefits received from a decedent's employer. (See section 101 (b).)

(4) **Certain dividends.**—See specific instruction 19.

L. Depreciation and depletion, and amortization of emergency facilities.—For instructions with respect to depreciation and depletion, see specific instruction 33. For instructions with respect to amortization deductions, see specific instruction 15.

M. Information at source.—Every estate or trust engaged in a trade or business and making payment in the course of such trade or business to another person of rent, salaries, wages, premiums, annuities, compensations, remunerations, emoluments or other fixed or determinable gains, profits and income of \$600 or more in any taxable year must make a return on Forms 1096 and 1099. If a portion of such salary or wage payments was

reported on a Withholding Statement (Form W-2, Copy A), only the remainder must be reported on Form 1099.

N. Unused loss carryovers and excess deductions on termination.—Deductions shall be allowed to the beneficiaries succeeding to the property of the estate or trust, if upon termination the estate or trust has (1) a net operating loss carryover under section 172 or a capital loss carryover under section 1212, or (2) for its last taxable year deductions (other than the personal exemption or charitable deduction) in excess of gross income.

O. Income taxable to the grantor or substantial owner.—If any part of the income of the trust is taxable to the grantor under any of sections 673 through 677, or is taxable to another person under section 678, such part should not be reported on Form 1041, but such income and the deductions and credits applicable thereto should be shown in a separate statement to be attached to Form 1041.

P. Simple and complex trusts.—If the terms of the governing instrument of a trust require that all of its income (determined under the governing instrument and local law) be distributed currently and do not provide that any amounts may be paid, permanently set aside, or used in the taxable year for the charitable purposes specified in section 642 (c), such a trust may qualify as a "simple" trust under section 651 (a). Such a trust is qualified under section 651 (a) only in those taxable years of the trust in which it does not distribute to a beneficiary amounts other than amounts of income (determined under the governing instrument and local law) required to be distributed currently. Section 651 (a) is not applicable to estates.

Any trust which does not qualify for the taxable year under section 651 (a) is treated as a "complex" trust under section 661 (a). All estates are treated under section 661 (a) in the same manner as "complex" trusts.

Q. Treatment of excess distributions by complex trusts.—Distributions by a complex trust in excess of its distributable net income for the current taxable year will be "thrown back" to each of the five preceding years in inverse order and will be taxed to the beneficiaries to the extent that the distributable net income of those years was not, in fact, paid, credited or required to be distributed. This throwback provision applies only to accumulations of income in taxable years beginning after December 31, 1953. It does not apply to estates or generally to simple trusts. An accumulation distribution of a trust for any taxable year is the amount (but only if more than \$2,000) by which any amounts properly paid or credited or required to be distributed for such taxable year exceed distributable net income reduced by any amount of income for such taxable year required to be distributed currently (including any amount required to be distributed, such as an annuity, which may be paid out of income or corpus to the extent such amount is paid out of income for such taxable year). In determining the excess of distributions over distributable net income for any taxable year (less the amounts of income required to be currently distributed) the following items are not to be considered a part of such excess: (1) amounts paid, credited, or required to be distributed, to a beneficiary as income accumulated before the birth of such beneficiary or before such beneficiary attains the age of 21; (2) amounts properly paid or credited to a beneficiary to meet the emergency needs of such beneficiary; (3) amounts properly paid or credited to a beneficiary upon such beneficiary's attaining a specified age or ages if—(A) the total number of such distributions cannot exceed 4 with respect to such beneficiary, (B) the period between each such distribution to such beneficiary is 4 years or more, and (C) as of January 1, 1954, such distributions are required by the specific terms of the governing instrument; and (4) amounts properly paid or credited to a beneficiary as a final distribution of the trust if such final distribution is made more than 9 years after the date of the last transfer to such trust.

Report any accumulation distribution for the taxable year in separate Schedule J (Form 1041).

HOW TO FILL IN FORM 1041

See General Instruction "P" for Definitions of Simple Trusts and Complex Trusts

The specific instructions that follow this section explain how all trusts and estates should fill in the form. However, since page 4 of the return is necessary only for complex trusts, the instructions relating to the schedules and items on that page may be disregarded by simple trusts. Generally the same is also true as to page 3 in the case of simple trusts reporting no capital gains or losses.

Special Rule for Simple Trusts.—An exception to the instructions in this section and in the Specific Instructions applies in the case of a simple trust receiving extraordinary dividends or taxable stock dividends, or both, which the trustee, acting in good faith, does not pay or credit to any beneficiary because of his determination that they are allocable to corpus under the terms of the governing instrument and local law. The law provides that such items shall be excluded from distributable net income. If line 1, page 1 of the return includes any dividends so treated, they should be excluded from the amount on line 18 and from Schedule C and an explanatory statement should be attached to the return.

Simple trusts may use the following-described short-form method of completing their returns**Simple Trust Without Capital Gains (or Losses)**

(a) **Reporting Income and Deductions**—Fill in lines 1 through 17 in accordance with specific instructions.

(b) **Determining taxable income and tax of fiduciary**—

If the amount shown on line 17 is not more than the amount of income required to be distributed currently (less the total amount shown in column 10, Schedule C) enter on line 18 the amount shown on line 17 and enter zero on line 23. Lines 24 through 31 need not be completed.

If the amount shown on line 17 exceeds the amount of income required to be distributed currently less nontaxable income, enter on line 18 the amount of income required to be distributed currently (less the total amount shown in column 10, Schedule C) and complete the remainder of page 1.

(c) **Beneficiaries' shares of income and credits** (Schedule C.)—In general.—The entries in columns 5 through 7 will show both the amount and the character of the income of the estate or trust which the beneficiaries must include in their gross income. Those inclusions in the gross income of beneficiaries which are on account of amounts of ordinary income not subject to special treatment are to be reflected in column 7. Those which are on account of domestic dividends qualifying for credit are to be reflected in column 5. Those on account of partially tax-exempt interest are to be reflected in column 6. Because the beneficiary of an estate or trust cannot generally claim losses or deductions of the estate or trust, no negative amounts may appear in columns 5 through 10, except in the case of unused loss carryovers and excess deductions on termination. (See general instruction N.)

● **Step One—Determining gross amounts**—Segregate the gross income items shown on page 1 (items 1 through 9) into groups according to the headings of columns 5, 6, and 7.

● **Step Two—Adjusting gross amounts by deductions**—Reduce each gross amount determined under step one:

(i) By items of deductions shown on page 1 (line 16) directly attributable to each gross amount.

(ii) By deductions shown on page 1 (line 16) which have not been allocated under (i), above, and any negative amounts shown on page 1 (lines 1 through 9). These amounts may be allocated to the gross amount for any column.

If the reductions made in steps (i) and (ii) produce a negative amount for any column, such amount shall be allocated to the

gross amounts for the other columns according to the rule stated in (ii) above.

● **Step Three—Amounts to be entered in each column**—Enter the net amounts determined in step two as the total of the appropriate column. Also enter in column 10 nontaxable income required to be distributed less expense allocated thereto and which is not allowable as a deduction on page 1 of the return. (See specific instruction 15.) The totals of columns 5 through 7 should equal the amount shown on line 17, page 1. The total amount of each of columns 5, 6, and 7 must then be allocated to beneficiaries in accordance with their proportionate interests.

If the total amount of column 3 is less than the total of columns 5, 6, 7, and 10 (e. g., where a portion of the return from wasting property is deemed principal under local law), the total amounts to be shown in columns 5, 6, 7, and 10 shall be appropriately reduced so that the sum of such amounts is the same as the total of column 3.

However, if the terms of the governing instrument provide that the various classes of income in columns 5, 6, and 7, are to be distributed among the beneficiaries in a manner other than that described above, the total in each of columns 5, 6, and 7 is to be distributed (in each column) among the beneficiaries according to the terms of the governing instrument.

Simple Trust With Capital Gains (or Losses)

The short-form method of completing the return may be used by a simple trust having capital gains (or losses). However, the capital gains and losses must be reported in Schedule D, page 3 of the return, and the following additional instructions must be taken into account:

(i) If capital gains are allocable to corpus (and are not paid, credited, or required to be distributed to any beneficiary during the taxable year) enter on line 18 the sum of the totals of columns 5, 6, and 7 of Schedule C, as computed above.

(ii) If capital gains are allocable to income, enter on line 18 the sum of the totals of columns 5 through 9 of Schedule C, computed in accordance with the principles above.

(iii) If line 8 (b) shows a loss, such loss cannot be carried forward to Schedule C. Enter on line 18 the sum of the totals of columns 5, 6, and 7 of Schedule C, as computed above.

(iv) If line 8 (a) shows a loss such loss shall be treated as a deduction. See Step 2, above.

SPECIFIC INSTRUCTIONS**PAGE 1 OF RETURN**

The following instructions for this page are numbered to correspond with line numbers on return

Income

1. Dividends—Enter on line 1 the total (before dividend exclusion) of all taxable dividends, except so-called "dividends" described in (d) of specific instruction 19 which are to be reported as interest on line 2.

For computation of the dividends received credit, see specific instruction 38.

NOTE—The law and regulations provide that an estate or trust may exclude up to \$50 of certain dividend income. However, they also provide (sections 651 and 661) that, if all or part of such dividend income is distributed to beneficiaries, the deduction allowed to the fiduciary for distributions to beneficiaries will be reduced by that part of the exclusion that bears the same ratio thereto that the dividends distributed bears to the total dividends received by the estate or trust. This is accomplished in the return by allowing a net exclusion on line 19 which takes into account both the full exclusion and the adjustment to the deduction for distributions to beneficiaries. See specific instruction 19.

4. Interest on Government obligations, etc.—Enter interest on Government obligations, etc., except interest fully exempt from tax. See general instruction K.

A taxpayer on the cash basis may elect, as to all non-interest-bearing obligations issued at a discount and redeemable at fixed amounts increasing at stated intervals (for example, United States savings bonds), to include the increase in redemption price applicable to the current year. For the year of election, the total increase in redemption price of such obligations occurring between the date of acquisition and the end of the year must be included. A taxpayer so electing shall

report such income as interest on line 2, 3, or 4 (whichever is applicable), and attach a statement listing the obligations owned and the computation of accrued income. An election exercised in the current year or in a prior year is binding for all subsequent years.

5. Income from partnerships and other fiduciaries—The estate's or trust's share of income of the following classes (whether received or not) from a partnership (including a syndicate, pool, etc., not taxable as a corporation) and from another fiduciary should be entered on the appropriate lines:

Dividends,
Interest on tax-free covenant bonds,
Partially tax-exempt interest, and
Gains and losses from sale or exchange of capital assets and other property.

The share of all other income or allowable losses from partnerships and other fiduciaries should be entered on line 5.

6. Rents and royalties—Enter the gross amount of rents and royalties received or accrued. Any deductions claimed for interest, taxes, depreciation or depletion, and repairs should be included on lines 11, 12, 13, and 15, respectively.

7. Profit (or loss) from trade or business—If the estate or trust was engaged in a trade or business during the taxable year, there shall be attached to the return a statement showing the nature of the trade or business, gross profit, deductions, and net income. Enter the gross profit from the business on line 7, and items of other income on other appropriate lines on page 1, according to the character of such income.

The total deductible expenses, other than depreciation, depletion, and charitable contributions shall be included in the

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amount on line 15, page 1. See specific instructions 33 and 37 with respect to deductions for charitable contributions, depreciation, and depletion.

8. Sales and exchanges of property.—Gains and losses from the sale or exchange of property other than capital assets must be reported in Schedule D, and the amount from line 2, Schedule D must be carried to line 8 (a), page 1. Relative to sales and exchanges of capital assets, see specific instruction 35.

9. Other income.—If the estate or trust had any taxable income, space for reporting of which is not provided elsewhere on page 1, enter it on line 9, page 1, and show the nature of such income, attaching a separate sheet if necessary for that purpose.

Deductions

11. Interest.—Enter all interest paid or accrued, other than on business indebtedness (which should be treated according to specific instruction 7). Do not include interest on indebtedness incurred or continued to purchase or carry obligations which yield interest wholly exempt from tax, except such obligations of the United States issued after September 24, 1917, and originally subscribed for by the taxpayer. Deductions on account of interest should be itemized and explained in Schedule A on page 2 of the return. As to disallowance of unpaid interest due related persons, see section 267.

12. Taxes.—Enter on page 1 and explain in Schedule A deductible taxes paid or accrued during the taxable year by the estate or trust. In general, non-Federal taxes are deductible; Federal import duties, and Federal excise and stamp taxes are deductible only if paid or incurred in carrying on a trade or business or in the production or collection of income or in the management, conservation or maintenance of property held for the production of income. However, if they are deductible as a business expense, such taxes and other taxes on property used in the trade or business are to be treated in accordance with specific instruction 7. The following taxes are not deductible: (i) generally, taxes assessed against local benefits of a kind tending to increase the value of the property assessed; (ii) Federal income taxes; (iii) estate, inheritance, succession, or gift taxes, except as noted in the next paragraph relative to Federal estate taxes; (iv) taxes imposed upon the interest of an estate or trust as a shareholder of a corporation which are paid by the corporation without reimbursement from the estate or trust; and (v) any portion of income, war profits or excess profits taxes paid or accrued to a foreign country or United States possession if any credit is claimed on line 26, page 1.

Section 691 provides that a taxpayer required to include in gross income any amount in respect of a decedent may deduct that portion of the Federal estate tax on the decedent's estate, which is attributable to the inclusion in the decedent's estate of the right to receive such amount. If an estate or trust receives income in respect of a decedent which is paid, credited, or required to be distributed to a beneficiary, see section 691 (c) (1) (B).

13. Fiduciary's portion of depreciation and depletion.—See specific instruction 33.

14. Charitable deduction.—See specific instruction 37.

15. Other deductions authorized by law.—Enter the total of any authorized deductions for which no other space is provided on page 1, and explain in Schedule A. Examples of such deductions are:

Nontrade or nonbusiness expenses.—Include nontrade or nonbusiness expenses incurred either (a) for the production or collection of taxable income, (b) for the management, conservation, or maintenance of property held for the production of taxable income, or (c) in connection with the determination, collection, or refund of any tax. Losses on worthless bonds and similar obligations, and nonbusiness bad debts should be included in Schedule D as losses on capital assets.

Deductions which may be allowable for estate tax purposes.—Sections 2053 and 2054 (relating to deductions for estate tax purposes) provide for the deduction from gross estate of certain expenses and losses which are also deductible for income tax purposes on Form 1041. No such deduction shall be allowed on Form 1041 unless there is filed for association with the return in which the items are claimed as deductions, a statement in duplicate to the effect that the items have not been allowed as deductions from the gross estate of the decedent under the applicable Federal estate tax law and that all rights to have such items allowed at any time as deductions under the applicable Federal estate tax law are waived. Clearly identify any such items in the statement and waiver. This paragraph shall not apply with respect to deductions allowed under section 691, relating to income in respect of a decedent.

Bond premium.—Section 171 provides for amortization of bond premium. For this purpose, the term "bond" means any bond, debenture, note, certificate, or other evidence of indebtedness, issued by any corporation and bearing interest (including any like obligations issued by a government or a political subdivision thereof), but does not include any such obligation which constitutes stock in trade of the taxpayer or any such obligation of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or any such obligation held by the taxpayer primarily for sale to customers in the ordinary course of its trade or business.

In the case of fully taxable bonds, and partially tax-exempt bonds the interest on which is the basis of a credit (see specific instruction 29), the amortization of bond premium is elective, and the election may be made with respect to either class held by the taxpayer, or both. The premium on fully taxable bonds may be amortized to maturity, or to the date on which the bond is first callable, except that in the case of such bonds issued after January 22, 1951, and acquired after January 22, 1954, if the earliest call date is not more than 3 years from the date of issuance of the bond, the bond premium must be amortized to the maturity date of the bond rather than to the earliest call date.

The election to amortize bond premium shall be made by the taxpayer by taking a deduction for the bond premium on the return for the first taxable year to which the taxpayer desires the election to apply. Attach a statement showing the computation of the deduction. The election shall apply to all bonds of the class (or classes) with respect to which it was made which were owned by the taxpayer at the beginning of the first taxable year to which the election applies and also to all bonds of such class (or classes) thereafter acquired. The election shall be binding for all subsequent taxable years, unless, upon application by the taxpayer, the Commissioner permits the taxpayer to revoke the election. In case of bonds held by an estate or trust, the election shall be made only by the fiduciary.

In the case of a fully taxable bond, the amortizable premium is both an adjustment to the basis of the bond and an allowable deduction. In the case of a partially tax-exempt bond, the amortizable premium for the taxable year is: (1) an adjustment to the basis of the bond; (2) a deduction, and (3) a reduction of the total interest upon which the credit against tax allowed by section 35 is computed.

Amortization of bond premium is mandatory with respect to fully tax-exempt bonds. In the case of a fully tax-exempt bond, the amortizable bond premium for the taxable year is an adjustment to the basis of the bond but not an allowable deduction.

Nonbusiness casualty losses.—The amount of loss to be deducted is measured by the fair market value of the property just before the casualty less its fair market value immediately after the casualty (but not more than the cost or adjusted basis of the property), reduced by any insurance or compensation received. Explain in Schedule A.

Net operating loss deduction.—There shall also be included in the amount on line 15 the net operating loss allowed by section 172. Every taxpayer claiming a net operating loss deduction under section 172 shall file with the return a detailed statement setting forth the amount of the net operating loss deduction claimed and all pertinent facts relative thereto, including a detailed schedule showing the computation of the net operating loss deduction.

Amortization of emergency facilities.—If the taxpayer elects the deduction with respect to accelerated amortization of the adjusted basis of (a) any emergency facility with respect to which the Government has issued a certificate of necessity, or (b) a grain storage facility, such deduction should be included in the amount on line 15, page 1, and a statement of the pertinent facts should be filed with the election. See sections 168 and 169.

Unallowable deductions.—No deductions shall be allowed (a) for expenses which are allocable to one or more classes of income, etc., under section 212 (other than interest income), wholly exempt from tax, or (b) for any amount relating to expenses for production of income which is allocable to interest income wholly exempt from tax. For the treatment of interest expense attributable to tax-exempt income, see specific instruction 11. Relative to the determination of the amount of expense attributable to tax-exempt income, see specific instruction 38.

As to disallowance of unpaid expenses due related persons, see section 267.

18. Deduction for distributions to beneficiaries.—See specific instruction 34.

19. Dividend exclusion.—There should be entered as an exclusion the lesser of (i) the first \$50 (or less) of dividends received from domestic corporations during the taxable year, or (ii) the amount of (i) reduced by an amount which bears the same ratio thereto that the total dividends allocated to bene-

ficiaries in column 5, Schedule C, bears to the amount on line 1, page 1 of Form 1041. See section 116 and specific instruction 1.

This exclusion does not apply to dividends received from:

(a) Life insurance companies, and mutual insurance companies (other than mutual marine companies, or mutual fire insurance companies issuing perpetual policies);

(b) China Trade Act corporations;

(c) So-called exempt organizations (charitable, fraternal, etc.) and farmers' cooperative organizations;

(d) Mutual savings banks, cooperative banks, domestic building and loan associations, domestic savings and loan associations, and Federal savings and loan associations, on deposits or withdrawable accounts;

(e) Regulated investment companies, except to the extent that such dividends are designated by the company as dividends for these purposes; or

(f) Corporations to which section 931 (relating to income from sources within possessions of the United States) applies.

21. Deduction for personal exemption.—An estate is allowed a deduction of \$600. A trust which, under its governing instrument, is required to distribute all of its income currently, is allowed a deduction of \$300; all other trusts are allowed a deduction of \$100.

26. Income and profits taxes paid to a foreign country or United States possession.—If, in accordance with section 901, a credit is claimed for income, war profits, or excess profits taxes paid to a foreign country or to a possession of the United States, submit Form 1116 with the return. The allowable credit is equal to the total credit shown on Form 1116 minus the proportionate share of the credit allocable to the beneficiaries (total, column 12, Schedule C).

28. Dividends received credit.—See specific instruction 36.

29. Fiduciary's credit for partially tax-exempt interest.—An estate or trust is allowed a credit against tax for partially tax-exempt interest. The credit allowed to the estate or trust is equal to 3 percent of the partially tax-exempt interest received, such interest first being reduced by (i) the amortized bond premium with respect to the bonds producing the interest de-

scribed above which is claimed as a deduction for the taxable year, and (ii) the total partially tax-exempt interest includible in the gross income of beneficiaries (total of column 6, Schedule C). However, the credit allowed to the fiduciary may not exceed whichever of the following is the smallest: (i) the amount of the tax on line 24 or line 25, reduced by the sum of the credits allowed for foreign taxes (line 26) and for dividends received (line 28); or (ii) 3 percent of the taxable income for the taxable year (line 23); or (iii) if the alternative tax is applicable, 3 percent of line 16, Schedule D.

24. Tax rate schedule.—The amount of the tax shall be determined in accordance with the following rate schedule:

If line 23, page 1, is: Enter as line 24, page 1:
Not over \$2,000 20% of the amount on line 23
Over But not over—

\$2,000	\$4,000	\$400, plus 22% of excess over \$2,000
\$4,000	\$6,000	\$840, plus 26% of excess over \$4,000
\$6,000	\$8,000	\$1,360, plus 30% of excess over \$6,000
\$8,000	\$10,000	\$1,960, plus 34% of excess over \$8,000
\$10,000	\$12,000	\$2,640, plus 38% of excess over \$10,000
\$12,000	\$14,000	\$3,400, plus 43% of excess over \$12,000
\$14,000	\$16,000	\$4,260, plus 47% of excess over \$14,000
\$16,000	\$18,000	\$5,200, plus 50% of excess over \$16,000
\$18,000	\$20,000	\$6,200, plus 53% of excess over \$18,000
\$20,000	\$22,000	\$7,260, plus 56% of excess over \$20,000
\$22,000	\$26,000	\$8,380, plus 59% of excess over \$22,000
\$26,000	\$32,000	\$10,740, plus 62% of excess over \$26,000
\$32,000	\$38,000	\$14,460, plus 65% of excess over \$32,000
\$38,000	\$44,000	\$18,360, plus 69% of excess over \$38,000
\$44,000	\$50,000	\$22,500, plus 72% of excess over \$44,000
\$50,000	\$60,000	\$26,820, plus 75% of excess over \$50,000
\$60,000	\$70,000	\$34,320, plus 78% of excess over \$60,000
\$70,000	\$80,000	\$42,120, plus 81% of excess over \$70,000
\$80,000	\$90,000	\$50,220, plus 84% of excess over \$80,000
\$90,000	\$100,000	\$58,620, plus 87% of excess over \$90,000
\$100,000	\$150,000	\$67,320, plus 89% of excess over \$100,000
\$150,000	\$200,000	\$111,820, plus 90% of excess over \$150,000
\$200,000		\$156,820, plus 91% of excess over \$200,000

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32. Schedule A—Explanation of deductions.—Itemize in Schedule A the deductions for interest and taxes, and other deductions claimed on lines 11, 12, and 15, page 1. If the space provided on the form is insufficient, attach a separate schedule.

33. Schedule B—Deduction for depreciation.—This schedule relates to the deduction for depreciation under section 167. If a deduction for depletion is claimed (see sections 611 through 614), attach a statement showing details.

Beneficiaries' and fiduciary's shares of depreciation and depletion deductions.—An estate or trust is allowed the deductions for depreciation and depletion only to the extent that these deductions are not allocable to beneficiaries.

In the case of a trust, the allowable deduction is to be apportioned between the income beneficiaries and the trustee on the basis of the trust income allocable to each, unless the governing instrument (or local law) requires or permits the trustee to maintain a reserve in any amount. If so, the deduction is first allocated to the trustee to the extent that income is set aside for a reserve, and any part of the deduction in excess of the income set aside for the reserve is apportioned between the income beneficiaries and the trustee on the basis of the trust income (in excess of the income set aside for the reserve) allocable to each. In the case of an estate, the allowable deductions for depreciation and depletion are apportioned between the estate and the heirs, legatees, or devisees on the basis of the income of the estate allocable to each.

Enter in column 13, Schedule C, beneficiaries' shares of depreciation plus depletion shown in separate statement. Enter on line 13, page 1, fiduciary's share of depreciation shown on line 3 of Schedule B plus his share of depletion shown in separate statement.

34. Schedule C—Beneficiaries' shares of income and credits.—Schedule C indicates distribution of income to the beneficiaries and also their allocable shares of credits for tax paid at the source on tax-free covenant bond interest, and for taxes paid to a foreign country or U. S. possession. Enter in columns 1 and 2 the name and address of each beneficiary to whom any amount is paid, credited, or required to be distributed in the taxable year of the estate or trust.

Distributions (Columns 3 and 4)

Amounts to be included.—In column 3 enter the amount of income of the estate or trust required to be distributed currently to each beneficiary, whether distributed or not. For the purpose of determining what amounts are to be included in column 3, the question of what are items of income and the question of whether an amount is required to be distributed currently are to be determined under the governing instrument and applicable local law. If the governing instrument requires that stated amounts be paid to a beneficiary and further provides that such amounts may be paid either out of income or out of corpus, such amounts are to be included in column 3 to the extent they are actually paid out of income of the current year.

Enter in column 4 any other amount actually paid, credited, or required to be distributed to each beneficiary in the taxable year, whether such amount is from income (current or accumulated) or from corpus.

Amounts not included.—Do not include, in either column 3 or column 4, any amount which, under the terms of the governing instrument, is properly paid or credited as a gift or bequest of a specific sum of money or of specific property. To qualify as a gift or bequest excluded from columns 3 and 4, a sum must be paid all at once or in not more than three installments. Furthermore, an amount which can be paid or credited only from the income of the estate or trust is not considered a gift or bequest of a specific sum of money. See section 663 (a) (1). Do not include in column 3 or column 4 any amount paid or permanently set aside for the purposes described in section 642 (c) or otherwise qualifying for the charitable deduction. See section 663 (a) (2).

Elective 65-day rule.—The fiduciaries of certain trusts may elect to continue to treat distributions within the first 65 days of the taxable year of the trust as amounts which were paid or credited on the last day of the preceding taxable year. See section 663 (b). The election is available only if the trust was created prior to January 1, 1954, and if the terms of the trust instrument provide that the trust may not distribute, in any taxable year, amounts in excess of the trust income for the immediately preceding taxable year. The election must be made not later than the time prescribed by law (including extensions

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thereof) for filing the return for the first taxable year to which Part I of Subchapter J of the Internal Revenue Code of 1954 applies. It shall apply with respect to all subsequent taxable years.

Character of Distributions (Columns 5 through 10)

Do not fill in Schedule C until pages 3 and 4 of the form have been completed.

The following instructions as to allocation of various classes of income apply in the absence of the allocation of different classes of income under the specific terms of the governing instrument.

In general.—The entries in columns 5 through 10, like those of the simple trust, will show both the amount and the character of the income of the estate or trust which the beneficiaries must include in their gross income. The differences in the procedure for completing Schedule C in the case of the complex trust result from two basic factors: (1) all the income has not been distributed, and (2) a charitable or other contribution may have been made for which a deduction under section 642 (c) is allowable.

Determining the share of each beneficiary.—Computations in accordance with the following instructions will produce the amounts to be shown as the total of each of the columns 5 through 10, Schedule C. Each such total except that in column 10 must be apportioned among the several beneficiaries of the estate or trust.

(i) That part of the total in each column which represents amounts shown in column 3 (income required to be distributed currently) must be apportioned among the same beneficiaries to whom are assigned the amounts in column 3 and in the same ratio that the amount assigned to each beneficiary in column 3 bears to the total of column 3.

(ii) That part of the total in each column which represents amounts shown in column 4 (other amounts paid, credited, or required to be distributed) must be apportioned among the same beneficiaries to whom are assigned the amounts in column 4 and in the same ratio that the amount assigned to each beneficiary in column 4 bears to the total of column 4.

For purposes of the computation above, the totals shown in columns 5 through 10 are deemed first to be proportionate distributions on account of the total amount in column 3. If the total of columns 5 through 10 is in excess of the total of column 3, then such excess is deemed to be proportionately on account of the total amount in column 4.

In the case of a foreign trust, if column 10 includes foreign income, attach to the return a separate statement showing the amount of such income allocable to each beneficiary.

In the ordinary case, the beneficiaries must include in gross income the total distributions (the totals of columns 3 and 4) or the distributable net income of the estate or trust, whichever is less, reduced in either case by the amount of tax-exempt income shown in column 10, Schedule C. See, however, the directions below with respect to current income beneficiaries of an estate or trust claiming a charitable deduction.

The different procedures are set forth below:

I. Estates and Complex Trusts Not Claiming Charitable Deductions

(A) *If the Distributable Net Income Is Not More Than the Sum of the Distributions* (Columns 3 and 4 of this Schedule).

In this case, the instructions for determining the beneficiaries' shares of income and credits in the case of a simple trust, set forth on page 3, above, shall be followed. The gross amount for column 8 is the amount of the beneficiaries' share of short-term capital gain as shown on line 10, column 1, Schedule D (reduced, but not below zero, by any loss shown on line 11, column 1, Schedule D). The gross amount for column 9 is the beneficiaries' share of long-term capital gain as shown on line 11, column 1, Schedule D (reduced, but not below zero, by any loss shown on line 10, column 1, Schedule D). The sum of all the adjusted gross amounts for columns 5 through 10 will equal the amount of the distributable net income (line 5, Schedule G).

(B) *If the Distributable Net Income Exceeds Columns 3 and 4 of This Schedule:*

In this case, follow the procedure set forth in (A), but enter as the total of each column, an amount which is the same pro-

portion of the sum of the distributions as the adjusted gross amount for such column, as determined above, is of the sum of all such adjusted gross amounts for columns 5 through 10. The total amounts must then be allocated to beneficiaries in accordance with their proportionate interests.

II. Estates and Trusts Claiming Charitable Deductions

(A) *If*

(i) the distributable net income (line 5, Schedule G) is equal to or exceeds the total of the amount of income required to be distributed currently (the total of column 3) and

(ii) the charitable deduction claimed includes no amounts paid or permanently set aside from sources other than income (or capital gains allocable to corpus) of the current year (that is, if the amount on line 8, Schedule F, is zero), the following instructions shall be followed: the determination of the totals of columns 5 through 10 generally requires the same type of computation as if no charitable deduction were claimed. However, (i) unless such amounts have already been included there shall be added to the gross amount for column 8 the amount of short-term capital gain included in amounts paid or permanently set aside for charity (line 2 (e), Schedule G), and there shall be added to the gross amount for column 9 the amount of long-term capital gain included in amounts paid or permanently set aside for charity (line 3 (a), Schedule F); and (ii) after the allocation of specific deductions and before the allocation of other deductions the charitable deduction must be allocated among the gross amounts for columns 5 through 9. In the absence of specific provisions in the governing instrument, the part of the charitable deduction to be allocated to the gross amount for each of the columns 5 through 9 is the amount which bears the same proportion to the total charitable deduction (less the amounts shown on line 7 of Schedule F) as the gross amount for such column bears to the total of all the gross amounts for columns 5 through 9.

(B) *If*

(i) the distributable net income is less than the amount of income required to be distributed currently (total of column 3) and

(ii) If the charitable deduction claimed includes no amounts paid or permanently set aside from sources other than income of the current year (that is, if the amount on line 8, Schedule F, is zero), then the estate or trust shall determine the totals of columns 5 through 10 according to the steps described in (A) above, except that: The aggregate amount which is to be allocated to columns 5 through 10 is whichever is the lesser of the following:

(iii) The distributable net income (line 5, Schedule G) plus the charitable deduction (line 14, page 1, less the amount shown on line 7 of Schedule F), plus the amounts shown on line 2 of Schedule F, or

(iv) The total of column 3 of the schedule.

Accordingly enter as the total of each of columns 5 through 10 of column 3 beneficiaries, an amount which is the same proportion of the aggregate amount so determined as the adjusted gross amount for such column is of the sum of all such adjusted gross amounts for columns 5 through 10.

(C) *Estates and trusts with charitable deductions attributable to other than current year's income.*—In the case of estates and trusts which claim a charitable deduction under section 642 (c) (see specific instruction 37) any portion of which is not attributable to income (or capital gains allocable to corpus) of the current year (line 8, Schedule F), see section 662 (b).

Credits (Columns 11 and 12)

Enter in columns 11 and 12, respectively, the amounts of Federal income tax paid at source and of income and profits taxes paid to a foreign country or United States possession which are allocable to each beneficiary. The amount allocable to each beneficiary is that part of the total of each item which is proportional to the amount of the corresponding income item included in the gross income of the beneficiary.

Deductions (Column 13)

Enter in column 13 the amount of depreciation or depletion which is allocable to each beneficiary in accordance with specific instruction 33.

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35. Schedule D.—Gains and losses from sales and exchanges of capital assets and other property.—These gains and losses generally are taken into account in computing taxable income just as if the estate or trust were an individual. In computing gross

income no distinction is made between such gains and losses allocable to income account and those allocable to corpus account. As to disallowance of losses between related persons, see section 267. If the estate or trust had any such gains or losses during the

year, it will be necessary to first complete Schedule D in order to determine the amounts to be entered on line 8, page 1 of the return.

"Capital assets" defined.—The term "capital assets" means property held by the estate or trust (whether or not connected with the trade or business) but does NOT include—

(a) stock in trade or other property of a kind properly includible in inventory if on hand at the close of the taxable year;

(b) property held by the taxpayer primarily for sale to customers in the ordinary course of trade or business;

(c) property used in the trade or business of a character which is subject to the allowance for depreciation provided in section 167;

(d) real property used in the trade or business of the taxpayer;

(e) certain government obligations issued on or after March 1, 1941, at a discount, payable without interest and maturing at a fixed date not exceeding one year from date of issue;

(f) certain copyrights, literary, musical, or artistic compositions, etc.; or

(g) accounts and notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property referred to in (a) or (b) above.

Gains and losses from transactions described in section 1231 (see below) shall be treated as gains and losses from the sale or exchange of capital assets held for more than 6 months if the total of these gains exceeds the total of these losses. If the total of these gains does not exceed the total of these losses, such gains and losses shall not be treated as gains and losses from the sale or exchange of capital assets. Thus, in the event of a net gain, all these transactions should be entered in the "long-term capital gains and losses" portion of Schedule D. In the event of a net loss, all these transactions should be entered in the "property other than capital assets" portion of Schedule D, or in other applicable schedules on Form 1041.

Section 1231 deals with gains and losses arising from—

(a) sale, exchange, or involuntary conversion, of land (including in certain cases unharvested crops sold with the land) and depreciable property if they are used in the trade or business and held for more than 6 months.

(b) sale, exchange, or involuntary conversion of livestock (but not including poultry) held for draft, breeding, or dairy purposes and held for 1 year or more,

(c) the cutting of timber or the disposal of timber or coal to which section 631 applies, and

(d) the involuntary conversion of capital assets held more than 6 months.

See sections 1231 and 631 for specific conditions applicable.

Basis.—In determining gain or loss in case of property acquired after February 28, 1913, use cost, except as specially provided. The basis of property acquired by gift after December 31, 1920, is the cost or other basis to the donor in the event of gain, but, in the event of loss, it is the lower of either such donor's basis or the fair market value on date of gift. Generally the basis of property acquired by inheritance is the fair market value at time of acquisition which usually is the date of death. For special cases involving property acquired from a decedent, see section 1014 (b) (9). In determining GAIN in case of property acquired before March 1, 1913, use the cost or the fair market value as of March 1, 1913, as adjusted, whichever is greater, but in determining LOSS use cost as adjusted.

Losses on securities becoming worthless.—If (a) shares of stock or (b) corporate securities with interest coupons or in registered form become worthless during the year, and are capital assets, the loss therefrom shall be considered as from the sale or exchange of capital assets as of the last day of such taxable year.

Limitation on allowable capital losses.—If the sum of all the capital losses exceeds the sum of all the capital gains (all such gains and losses to be taken into account at 100 percent), then such capital losses shall be allowed as a deduction only to the extent of (1) current year capital gains plus (2) the smaller of either the taxable income of the current year or \$1,000. For this purpose taxable income is computed without regard to capital gains or losses or the deduction for exemptions. The excess of such allowable losses over the sum of items (1) and (2) above is called "capital loss carryover." It may be carried forward and treated as a short-term capital loss in succeeding years. However, the capital loss carryover of each year should be kept sep-

rate, since the law limits the use of such carryover to the five succeeding years. In offsetting your capital gain and income of 1956 by prior year loss carryovers, use any capital loss carryover from 1951 before using any such carryover from 1952 or subsequent years. Any 1951 carryover which cannot be used in 1956 must be excluded in determining total loss carryover to 1957 and subsequent years.

Collapsible corporations.—Gain from the sale or exchange of stock in a collapsible corporation is not a capital gain. Section 341.

"Wash sales" losses.—Losses from the sale or other disposition of stock or securities are not deductible (unless sustained in connection with the taxpayers' trade or business) if, within 30 days before or after the date of sale or other disposition, the taxpayer has acquired (by purchase or by an exchange upon which the entire amount of gain or loss was recognized by law) or has entered into a contract or option to acquire, substantially identical stock or securities.

Losses in transactions between certain persons.—No deduction is allowable for losses from sales or exchanges of property directly or indirectly between (a) members of a family, (b) a corporation and an individual (or a fiduciary) owning more than 50 percent of the corporation's stock (liquidations excepted), (c) a grantor and fiduciary of any trust, (d) a fiduciary and a beneficiary of the same trust, (e) a fiduciary and a fiduciary or beneficiary of another trust created by the same grantor; or (f) an individual and a tax-exempt organization controlled by the individual or his family.

Redemption of stock to pay death taxes.—Section 303 deals with redemption of stock included in an estate. List and identify such stock in the appropriate section and state the name of the decedent and the District Director's office in which the estate tax return was filed.

Allocation of capital gains and losses.—On line 10, enter in column 1 the amount of short-term gain or loss allocable to the beneficiary or beneficiaries. This includes (a) any amount (whether or not paid, credited, or required to be distributed to beneficiaries) which is a short-term capital gain under the Internal Revenue Code but which is an item of trust income under the terms of the governing instrument and local law; and (b) any amount which is a short-term capital gain under the Internal Revenue Code and which is allocable to corpus under the terms of the governing instrument and local law, but which is, nevertheless, paid, credited, or required to be distributed to any beneficiary. However, any capital gains paid, or permanently set aside for the purposes specified in section 642 (c) should be entered in column 2.

Include on line 10, column 1, only those short-term capital losses which are taken into account in determining the amount of gain from the sale or exchange of capital assets which is paid, credited, or required to be distributed to any beneficiary during the taxable year. Enter in column 2 the amount of the short-term gain or loss allocable to the fiduciary. The amount in column 3 should be the same as the amount shown on line 6.

The long-term gain or loss is treated on line 11 just as short-term gain or loss is treated on line 10.

Fiduciary's capital gains deduction.—Section 1202 provides a special rule for the deduction for long-term capital gains of an estate or trust. The deduction is computed by excluding that portion of the gains from sales or exchanges of capital assets which is includible in the income of the beneficiaries. Lines 13 (a) through 13 (e) provide for the computation of long-term capital gains allocable to the fiduciary for the purpose of computing this deduction.

Alternative tax.—If the net long-term capital gain exceeds the net short-term capital loss, or in the case of only a long-term capital gain, taxpayers with taxable income exceeding \$18,000 should compute the alternative tax in Schedule D. The alternative tax, if less than the tax shown on line 24, page 1, shall be the tax to be entered on line 25, page 1.

36. Schedule E—Fiduciary's share of dividends received credit.—An estate or trust is allowed a credit against tax for dividends received from domestic corporations (except those listed in (a) through (f) of specific instruction 19) which are included in gross income, but only in respect of so much of such dividends as are not (a) properly allocable to any beneficiary, or (b) deducted on line 19, page 1 of the return.

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37. Schedule F—Computation of charitable deduction.—An estate or trust shall be allowed a deduction for any amount of gross income which pursuant to the terms of the governing instrument is, during the taxable year, paid or permanently set aside for a purpose specified in section 170 (c), or is to be used

exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals, or for the establishment, acquisition, maintenance or operation of a public cemetery not operated for profit. This deduction is not subject to the percentage limitation imposed

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by section 170 on the charitable deduction of an individual, but is subject to the limitations described below. For further special limitations in the case of improper accumulations, prohibited transactions, and so forth, see section 681 (b) and (c). A trust claiming a charitable, etc., deduction under section 642 (c) for the taxable year shall file the information return required by section 6034. Obtain copy of Form 1041A from the District Director of Internal Revenue.

Contributions attributable to current income.—Enter on line 1, Schedule F the full amount paid or permanently set aside for the purposes described above out of the current year's income. This does not include capital gains allocable to corpus, but does include capital gains which are treated as income under the governing instrument and local law. Capital gains which are allocable to corpus should be entered on line 7.

Line 2 provides for an adjustment of the charitable contributions attributable to income of the current year (line 1), so that the charitable deduction will not include contributions attributable to tax-exempt interest or foreign income of a foreign trust. In the absence of specific provisions in the governing instrument, enter on line 2 the result obtained by multiplying line 1 by the total of all tax-exempt interest and foreign income of a foreign trust included in income of the current year (under the governing instrument and local law) and dividing by the total of all the income items included in income of the current year (under the governing instrument and local law). In computing the total of all items of income under applicable local law, do not reduce income by any losses (such as losses from the sale or exchange of property).

Lines 3 and 4 provide for adjustment of a charitable contribution which includes long-term capital gains allocable to trust income in order to prevent a double deduction under section 1202 on account of such gains. Line 3 (a) is the total amount of long-term gain contained in the amount on line 1. This is computed by multiplying the amount shown on line 1 by the total of long-term capital gains allocated to income (under the governing instrument and local law) and dividing the result by the total of all the income items included in income of the current year (under the governing instrument and local law). For purposes of this adjustment, long-term capital gain of the current year allocable to corpus and paid or permanently set aside for a charitable purpose is not included in the contribution to charity out of the current year's income. Such amounts shall be taken into account on line 7, after a similar adjustment is made.

Contributions not attributable to current income.—Enter on line 7 the total of all net short-term capital gains and 50% of all net long-term capital gains of the taxable year not included on line 1 and which are paid or permanently set aside for the purposes specified in section 170 (c) (relating to definitions of charitable contributions) or to be used for the charitable, etc. purposes specified in section 642 (c). Enter on line 8 the total of deductible amounts paid or permanently set aside for the purpose specified in section 170 (c) or to be used for the charitable, etc., purposes specified in section 642 (c) to the extent that such amounts are not attributable to income (under the governing instrument and local law) of the current year or capital gains included on line 7. Attach a statement showing the details.

38. Schedule G—Computation of distributable net income.—Distributable net income is an amount which limits the amount deductible by the estate or trust on account of distributions and (except in the case of a current income beneficiary of an estate or trust which claims a charitable deduction) the amount taxable to the beneficiary. It is also used to determine the character of the distributions to the beneficiaries.

Distributable net income—General.—Distributable net income is the taxable income of the estate or trust (generally computed in the same manner as in the case of an individual) with the modifications set forth in section 643 (a).

The items of gross income in distributable net income are the items of gross income shown on lines 1 through 9, page 1, with the modifications described below.

(a) **Dividends.**—The dividends in distributable net income are those shown on line 1, page 1, without reduction by the amount shown on line 19, page 1.

(b) **Capital gains.**—The capital gains or losses shown on line 8 (b), page 1, are not ordinarily included in distributable net income. There can in no event be a net capital loss in distributable net income, and the gross amount of net capital gain to be included in distributable net income is to be shown on lines 2 (c), (d) and (e).

The capital gains to be included in distributable net income are, in general, those distributed to beneficiaries or to charity.

(See specific instruction 37 for further details concerning charitable contributions.) The amount of capital gains to be included in distributable net income on account of allocations to beneficiaries has already been determined on line 12, column 1 of Schedule D. If line 12, column 1 of Schedule D, shows a net loss, the net loss is not taken into account in computing distributable net income and line 2 (c) should be completed by entering zero.

The long-term capital gains contained in charitable contributions have already been computed according to the directions in specific instruction 37 for lines 3, 4 and 7, Schedule F. Distributable net income also includes short-term capital gains to the extent that such gains are included in charitable contributions. The amount of short-term capital gains to be so included is computed in the same manner as the amount of long-term capital gains, that is, according to the directions in specific instruction 37 for lines 4 and 7, Schedule F.

(c) **Tax-exempt interest.**—In addition to the items of income included on lines 1 through 9, page 1, distributable net income includes tax-exempt interest and foreign income of a foreign trust after adjustment according to the specific instructions for lines 2 (a) and 2 (b) below.

The items of deduction entering into the computation of distributable net income are those allowed to the estate or trust in computing its taxable income except the capital gains deduction under section 1202 (line 20, page 1), the special deductions for distributions under sections 661 and 661 (line 18, page 1), and the deduction for personal exemption under section 642 (b) (line 21, page 1). There are special rules provided in section 643 (a) (3) with respect to the allowance of deductions on account of capital losses. See the detailed directions below for completing lines 2 (c), 2 (d), 2 (e), and 4 of this schedule. In addition, certain disbursements, expenses, losses, etc., of the estate or trust which, under the provisions of section 265, are not allowable as deductions in computing taxable income are treated as deductions in determining distributable net income.

For the purpose of determining distributable net income in the case of a complex trust, if the shares of different beneficiaries are substantially separate and independent, such shares shall be treated as separate trusts, under certain circumstances. See section 663 (c) and the regulations thereunder. If the separate share rule is applicable, a separate Form 1041 (except for lines 18 through 31 on page 1) for each share must be attached to the return, as a supplemental schedule. This procedure is solely for the purpose of determining the deduction for distributions under section 661 and the amounts to be included in gross income of beneficiaries under section 662.

Detailed directions for completing the lines in Schedule G.—

Line 1: Enter the amount shown on line 17, page 1. This is the taxable income of the estate or trust before taking into account the deduction for long-term capital gains, the deduction for distributions to beneficiaries, the deduction for personal exemption, and the dividend exclusion.

Line 2 (a): Enter the amount of tax-exempt interest received, less: (i) the amount of tax-exempt interest shown on line 2 of Schedule F; and (ii) any amounts which, but for the provisions of section 265, would be deductible in respect of disbursements, expenses, losses, etc., of the trust or estate, directly or indirectly allocable to such interest. The amount of the disbursements, etc., indirectly allocable to tax-exempt interest is that amount which bears the same ratio to the total disbursements, etc., of the trust or estate not directly attributable to other items of income as the total tax-exempt interest received bears to the total of all the items of gross income (including tax-exempt interest and, in the case of a foreign trust, foreign income entering into distributable net income).

Line 2 (b): Enter the amount of foreign income of a foreign trust adjusted in the same manner as tax-exempt interest.

Lines 2 (c), 2 (d), 2 (e), and 4: Show the adjustments to be made in computing distributable net income on account of capital gains and losses. If line 8 (b), page 1, shows a net capital gain, the amount is to be entered on line 4 of this schedule, but if line 8 (b), page 1, shows a net capital loss, the amount is to be entered on line 2 (f) of this schedule. This has the effect of removing all of the fiduciary's share of capital items from distributable net income.

39. Schedule H—Computation of distributions deduction.—This schedule provides for the computation of the deduction allowable to the fiduciary for amounts paid, credited, or required to be distributed to the beneficiaries of the estate or trust. The deduction is equal to the amounts paid, credited, or required to be distributed or the distributable net income—whichever is less, adjusted in either case so as to exclude items of tax-exempt income entering into distributable net income.

SCHEDULE J
(Form 1041)

U. S. TREASURY DEPARTMENT—INTERNAL REVENUE SERVICE

ALLOCATION OF ACCUMULATION DISTRIBUTION

(For Complex trusts accumulating income in 1954 or 1955 which is distributed in 1956)

1956

Please read instructions on other side

Attach this schedule to your Income Tax Return, Form 1041

Name and Address of Trust:

Line and
Instruction No.

1. Accumulation distribution in 1956.....

Note: This amount must be thrown back to 1955 first, if there was undistributed net income in 1955.

Computation of amounts deemed distributed to beneficiaries

2. Undistributed net income (adjust column B for prior throwback from 1955 to 1954, if any).....

3. Throwback (line 1 but not more than line 2).....

(Note: If this form shows a 1956 throwback to both 1955 and 1954, only the balance of line 1 (line 1 minus line 3, column A) is to be considered as "line 1" in the column B computation.)

4. Income tax (imposed on trust) applicable to amount on line 3.....

5. Income deemed distributed to beneficiaries (line 3 plus line 4).....

6. Tax-exempt income included in amount on line 5.....

7. Taxable income deemed distributed to beneficiaries (line 5 minus line 6).....

The character of the amount on line 7 must be set forth in columns 18 to 22 below for each beneficiary.

Tax Recomputation

If the amounts on lines 2 and 3 of a column are equal, the tax computation is not necessary for that column; enter on line 15 the amount shown on line 4, above.

8. Taxable income shown on line 23 of Form 1041 (reduce the amount for column B by amount on line 7 of Schedule J filed for 1955, if any).....

9. Amounts on line 7, above.....

10. Adjusted taxable income (line 8 minus line 9).....

11. Tax on amount on line 10, reduced by tax credits.....

12. Alternative tax (if applicable), reduced by tax credits.....

13. Enter income tax shown on line 31, page 1, Form 1041 or, if a Schedule J was filed for 1955 and the 1956 distribution is also being thrown back to 1954, enter for column B the amount shown on line 11 or 12 (whichever is applicable) of Schedule J for 1955.....

14. Amount shown on line 11 or 12, above (whichever is applicable).....

15. Tax credit allocable to beneficiaries (line 13 minus line 14).....

BENEFICIARIES' SHARES OF INCOME AND CREDITS

If both columns A and B, above, are used, either adjust the schedule below to indicate the character of distributions for each year, or attach a separate schedule showing such separate distribution.

16. Name of each beneficiary

17. Address

(a)	.....	.....
(b)	.....	.....
(c)	.....	.....
(d)	.....	.....

	18. Income taxable to beneficiaries less portion reportable in cols. 19 through 22	19. Domestic dividends qualifying for credit		20. Partially tax-exempt interest	21. Net short-term capital gain
		A. Before 8/1/54	B. After 7/31/54		
(a)	\$.....	\$.....	\$.....	\$.....	\$.....
(b)
(c)
(d)
Total	\$.....	\$.....	\$.....	\$.....	\$.....

	22. Net long-term capital gain (100%)	23. Federal income tax paid at source	24. Income and profits taxes paid to a foreign country or U. S. possession	25. Throwback tax credit (line 15)
(a)	\$.....	\$.....	\$.....	\$.....
(b)
(c)
(d)
Total	\$.....	\$.....	\$.....	\$.....

FACSIMILE OF TAX RETURN FOR 1956

Treatment of Excess Distributions by Trusts

The "throwback" rule provided in sections 665 through 668 of the Internal Revenue Code of 1954 is applicable only to distributions by trusts of amounts which were accumulated during taxable years beginning after 12/31/53, and ending after 8/16/54. Distributions by a trust in excess of its distributable net income for the current taxable year will be "thrown back" to the two preceding years in inverse order and will be taxed to the beneficiaries to the extent that the

distributable net income of those years was not, in fact, paid, credited, or required to be distributed. In effect, the beneficiaries, except for the fact that they report the income currently, are placed in the same position as if the trust had made distribution during the year in which the income was received. For additional information, including a definition of accumulation distribution, see General Instruction Q for Form 1041.

Line 2. The term "undistributed net income" for any taxable year means the excess of distributable net income of the trust over the sum of—

- (i) any amount of income for the year required to be distributed currently (including any amount required to be distributed which may be paid out of income or corpus to the extent paid out of income for such taxable year),
 - (ii) any other amounts properly paid, credited, or required to be distributed for such taxable year, and
 - (iii) the amount of taxes properly allocable to the undistributed portion of distributable net income.
- (This is the difference between (a) the amount of income taxes paid by the trust and (b) the amount it would have paid had it distributed all of the distributable net income.)

All of the above amounts, except the amount of taxes the trust would have paid had it distributed all of the distributable net income, will be shown on Forms 1041, or on Schedule J (Form 1041) for 1955. Therefore, the following chart may be used to determine such amounts applicable to a particular case. "X" in the several columns indicates when the item listed is to be used.

	If NO accumulation distribution was made in 1955		If accumulation distribution was made in 1955 (Throwback to 1954)	
	Col. A. 1955	Col. B. 1954	Col. A. 1955	Col. B. 1954
(i) Any amount of income for the year required to be distributed currently:				
Total of column 3, Schedule C, Form 1041 for 1954		X		X
Total of column 3, Schedule C, Form 1041 for 1955	X		X	
(ii) Any other amount properly paid, credited, or required to be distributed:				
Total of column 4, Schedule C, Form 1041 for 1954		X		X
Plus amount shown on line 5 of Schedule J (Form 1041) for 1955				X
Total of column 4, Schedule C, Form 1041 for 1955	X		X	
(iii) The amount of taxes properly allocable to the undistributed portion of distributable net income. In determining this amount the amount of income taxes PAID by the trust will be as follows:				
Amount shown on line 31, page 1, Form 1041 for 1954		X		
Amount shown on line 11 or 12 (whichever is applicable) of Schedule J (Form 1041) for 1955				X
Amount shown on line 31, page 1, Form 1041 for 1955	X			

APPLICABLE TO COLUMNS A AND B SEPARATELY

Line 4. Income tax (imposed on trust).—If the amount on line 3 is equal to the amount on line 2 enter here the amount in accordance with (iii) of instruction 2, above. If the amount on line 3 is less than the amount on line 2 compute the portion of taxes applicable to the throwback in accordance with the following ratio:

$$\frac{\text{Line 3}}{\text{Line 2}} \times \text{Item (iii), instruction 2, above}$$

Line 6. Portion of income deemed distributed attributable to tax-exempt income.—If the undistributed portion of distributable net income included any tax-exempt interest (or foreign income, if the trust is a foreign trust) the amount of income deemed distributed must be adjusted in accordance with the following ratio:

$$\frac{\text{Undistributed tax-exempt income}}{\text{Line 2 plus item (iii), instruction 2, above}} \times \text{line 5}$$

Note: In the above computation for column B, if there was an accumulation distribution in 1955, the undistributed portion of tax-exempt income, and the amount of taxes paid by the trust must be adjusted for the previous throwback.

Line 7. Taxable income deemed distributed to beneficiaries.—The amount shown on line 7 is includible in the gross income of the beneficiaries for 1956. The distribution of amounts taxable to beneficiaries as between the beneficiaries and as between various items of income and credits which make up such amount, must be set forth in columns 16 to 22. Whether or not an individual beneficiary is exempt from tax on foreign income of a foreign trust depends upon his individual tax status.

Line 15. Throwback tax credit.—This is the tax credit allocable to the beneficiaries as a result of the throwback. The amount shown on line 15 should equal the amount shown as the total of column 25.

BENEFICIARIES' SHARES OF INCOME AND CREDITS

Columns 16 and 17.—Enter in columns 16 and 17 the name and address of each beneficiary to whom is distributed any portion of the amount shown on line 7, page 1. The total on line 7 is deemed to have been distributed on the last day of the taxable year (of the trust) to which the distribution is being thrown back.

Columns 18 through 22.—The entries in these columns will show both the amount and the character of the income (line 7) of the trust which the beneficiaries must include in their gross income for 1956. The rules set forth in specific instruction 34, Form 1041, with respect to column 4, are applicable to filling out these columns. Those inclusions in the gross income of beneficiaries which are on account of amounts of ordinary income not subject to special treatment are to be reflected in column 18. Those not reflected in column 18 should be entered in the properly designated columns and apportioned among the several beneficiaries of the trust. In the case of a foreign trust, income from sources without the United States (reflected on line 6 as tax-exempt income included in the amount on line 5) may be taxable if distributed to a beneficiary who is a U. S. citizen or a resident alien. If so taxable, the beneficiary must include it in his gross income, in addition to the amounts shown in columns 18 through 22.

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